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8 MAY 1986

## **Southeast Asia Report**

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8 MAY 1986

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**THAI PAPER REPORTS CLASH WITH KAREN REBELS**

BK110102 Bangkok THE NATION in English 11 Apr 86 p 3

[Text] MAE SOT, Tak—Burmese Government troops and Karen rebels exchanged artillery and mortar fire between Wednesday night and yesterday afternoon in one of the heaviest fightings this year, field sources reported.

The sources said five to six stray shells landed inside Thailand in Tambon Mahawan of this border town but no casualties or damage were reported.

They said the fighting began when the Burmese troops launched an attack on the Karen rebels' stronghold at Phalu opposite here Wednesday evening.

The sources said that at least five Karen rebels were killed while one Burmese soldier died and 13 others [were] wounded.

Meanwhile, about 4,000 Thai villagers of border districts in Tak on Wednesday joined an evacuation exercise held in Mae Ramat District.

The exercise was held to prepare the villagers for emergency in which they may have to be evacuated in the event of fighting spill-over from the other side of the border.

The villagers who took part in the exercise were from seven districts and one sub-district.

/9274

CSO: 4200/923

BRIEFS

**SRI LANKA ENVOY'S APPOINTMENT**—The Government of the Socialist Republic of the Union of Burma have agreed to the appointment of Mr Weerakonda Aratchige Kalidasa Mahipala de Silva as ambassador extraordinary and plenipotentiary of the Democratic Socialist Republic of Sri Lanka to the Socialist Republic of the Union of Burma in succession to His Excellency Mr Don Piyadasa Wijenarayana. [Excerpt] [Rangoon WORKING PEOPLE'S DAILY in English 7 Apr 86 pp 1, 8 BK] /9274

CSO: 4200/923

PRESS, ISLAMIC PARTY REACT TO U.S. RAID ON LIBYA

Editorial Assesses Conflict

BK181308 Jakarta KOMPAS in Indonesian 16 Apr 86 p 4

[Editorial: "The U.S. Air Strike on Libya"]

[Text] It is rather difficult to tell what is happening between the United States and Libya these days. Events show that it cannot be called a war, but it is equally incorrect to say that it is just a small dispute flaring up into an explosive outburst of action because the blitzkrieg bombing of 5 military targets in Libya involved 18 F-111 bombers and 15 A-6 and A-7 fighter bombers from the U.S. fleet in the Mediterranean Sea.

It is equally difficult to assess the extent of the sustained conflict if we look at the size of the two countries involved. What can be seen immediately is that a country 70 times larger in terms of population and 150 times stronger economically is "teaching a lesson" to a small country in the northern coast of Africa that after all has very few friends.

Viewed from this angle, what has been taking place is beyond our comprehension. Obviously, President Reagan's decision must have been a follow-up to the territorial dispute in the Gulf of Sidra and alleged U.S. claim of Libyan involvement in terrorist activities.

As for the Gulf of Sidra territorial dispute, we still can understand the U.S. position because the United States is not a signatory of the law of the sea convention, which acknowledges a country's 200-mile territorial claim. Therefore, the United States feels that it is entitled to hold military exercises in the disputed waters and ignores Libya's claim.

As for international terrorism, the United States may have proof that Libya has played an important role in several incidents affecting U.S. interests. However, the issue has grown out of proportion when the bombing of a discotheque in Berlin killing a U.S. serviceman and a Turkish woman prompted an air strike, involving 33 advanced and sophisticated planes like the F-111 bombers against targets in Libya.

It remains to be seen whether the air strike will really cripple the intelligence commands, logistics centers, and communications networks, described by the United States as terrorist training centers. What might happen after the dramatic decision to launch the bombing strike is that the attack will only intensify tension in the Middle East. Even though Libya is not on good terms with other Arab countries, including Sudan and Egypt, which are openly hostile to it, the attack will only revive a chauvinistic Arab solidarity, especially in the event of further U.S. action.

Western European countries have clearly shown their concern that the situation will lead to such a revived Arab solidarity by their reluctance to support Reagan's initiatives. They have tried to restrain the two sides from escalating the tension.

However, the U.S. attack did take place, possibly through the need for heroism to support the U.S. pride under President Reagan. Whatever damage Libya and the terrorist movement suffered--if indeed Al-Qadhafi is behind the movement--he will do anything if he feels he is being cornered. If this happens, the world may have anxious moments to know that the Libyan leader will translate his threats into reality because his suicide squads are ready to oppose all U.S. interests throughout the world and terrorism will be on the increase with more and more innocent people becoming victims.

#### Islamic Opposition Party Scores U.S.

BK190555 Jakarta ANTARA in English 0459 GMT 19 Apr 86

[Text] Jakarta, April 19 (ANTARA)--The U.S. military attack on Libya constituted a reckless action with the complete disregard of the sovereignty of a legitimate country.

The U.S. raids can disturb world peace and stability and would create a negative impact on the countries of the world especially in their attitude to the superpower, Central Executive Board Secretary-General of the United Development Party (PPP) Mardinsyah stated in a press release here Friday.

The party fully supported the Indonesian Government's policy of having Foreign Minister Mokhtar Kusumaatmaja sign the joint communique together with the other nonaligned countries in New Delhi on April 15, 1986.

The party also called on all nations of the world to contribute to the solution of the conflict between the United States and Libya, and appealed to the two belligerents to refrain from any act of armed force in the interest of world peace.

#### Further Press Reaction

BK190955 [Editorial Report] Two Indonesian-language Jakarta papers--MERDEKA and BERITA BUANA and the English-language JAKARTA POST on 16 April carry editorials on the U.S. air strikes against Libya.



In a 400-word page 5 editorial entitled "The Anglo-Saxon Strategy," MERDEKA writes that the United States tried to use NATO as a springboard to launch an air strike against Libya. With the exception of Britain, no other NATO members cooperated with the United States in the operation. The daily notes that "France refused to allow U.S. fighter planes to overfly its territory on the way to Libya." The daily concludes by warning that "Today it is Libya's turn; in the future other countries may fall victim to the frightening and aggressive Anglo-Saxon unholy alliance."

In a 350-word page 2 editorial entitled "America Strikes Libya," BERITA BUANA notes that the United States, as President Reagan had earlier said, was determined to end Libya's terrorist activities following a bomb blast at a West Berlin discotheque in which several [unpublished] U.S. soldiers were killed. The daily says that the lightning U.S. attack against Libya was designed "to stop once for all Libya's terrorist acts" and quotes a U.S. statement as saying that "the United States will again strike Libya in Libya continues with its terrorist acts." Concluding, the daily notes that only the British Government is fully behind President Reagan's policy while other European countries hesitate in their reaction to the strike. "India said that the U.S. action could jeopardize peace in the Middle East, but failed to say whether continued terrorist acts in peaceful cities would endanger peace."

In a 300-word page 4 editorial entitled "The U.S. Dilemma," THE JAKARTA POST writes that "the U.S. Government has reason to believe that Libya is behind the recent acts of terrorism, specifically the bombings of a TWA airliner while on a flight over Greece and a discotheque in West Berlin which killed six people, five of them Americans."

However, the daily warns that "a series of punitive strikes against Libya, escalated each time in terms of target selections and bombing tonnage by the U.S. acting as world sheriff, could lead to the radicalization of the non-aligned world to the degree that it would be difficult for moderate members like Indonesia to maintain their present position."

/6662

CSO: 4213/133



OFFICIAL REACTIONS TO AUSTRALIAN NEWSPAPER ARTICLE

Mokhtar on Ties

BK210739 Melbourne Overseas Service in English 0430 GMT 21 Apr 86

[Text] Indonesia's Foreign Minister Dr Mokhtar says it is too early to say whether relations with Australia have been seriously damaged by a Sydney newspaper article about President Suharto. Dr Mokhtar said that both sides were doing the best they could to minimize the impact. He said he had only seen reports [words indistinct] and that he wished, in his words, to proceed with caution.

The Indonesian foreign minister also said that any delay to scheduled talks on the Timor Gulf seabed (?off north) Western Australia would not be due to the newspaper article but to his need to study Indonesia's negotiating position.

A recent article in the SYDNEY MORNING HERALD raised questions about the financial affairs of President Suharto and his family who, it said, had amassed a huge fortune. Following publication of the article the Indonesian Government announced that visas would not be granted for Australian journalists to visit the country and a visit by an Indonesian minister to Australia was canceled.

Article Termed 'Alcohol Journalism'

BK211359 Jakarta Domestic Service in Indonesian 1200 GMT 21 Apr 86

[Text] Information Minister Harmoko says the article in the Australian daily SYDNEY MORNING HERALD by David Jenkins is insulting and slanderous to President Suharto and the Indonesian people in general, including the Indonesian press. He adds that the article is based on alcohol journalism in the sense that it is based on nonsensical and irresponsible sources found during drunken canvassing. Minister Harmoko highly appreciates the stand adopted by the Indonesian press, namely the Indonesian Journalists Association [PWI], that has canceled the planned visit of Australian journalists to Indonesia. Further moves after the cancellation of the visit will be taken in accordance with the development of the Indonesian

press system. Harmoko himself, a former PWI chairman, initiated and signed a cooperation agreement between the PWI and the Australian Journalists Association several years ago.

Harmoko was speaking to newsmen after a meeting with President Suharto at the Bina Graha presidential office this afternoon. Harmoko also disclosed that Australian journalists will not be allowed to cover the visit of U.S. President Ronald Reagan to Bali at the end of this month. The upcoming presidential visit will be covered by 220 free-lance foreign journalists, 47 foreign correspondents, 250 journalists from the Reagan entourage, and 137 Indonesian journalists.

#### Mokhtar: No Need To Recall Envoy

BK220933 Jakarta International Service in English 0800 GMT 22 Apr 86

[Text] Indonesian Foreign Minister Mokhtar Kusumaatmaja is of the opinion that it is not deemed necessary to summon the Indonesian ambassador to Australia in regard to the article of David Jenkins in the SYDNEY MORNING HERALD daily.

Speaking to the press after reporting to President Suharto at Bina Graha presidential office yesterday, the minister said that he was not sure whether Australia or the SYDNEY MORNING HERALD intends to make it a controversial issue. But he also said that he did not take up the issue at his meeting with the president.

The minister called on President Suharto yesterday to report on the results of his recent visit to Finland and New Delhi, where he had attended the nonaligned ministerial meeting, which was in preparation for the coming nonaligned summit in Harare, Zimbabwe, next September.

#### Murdani Reportedly Threatens Defense Cut

BK220607 Melbourne Overseas Service in English 0430 GMT 22 Apr 86

[Text] The defense attache at the Australian Embassy in Jakarta is expected to have talks with senior Indonesian officials today on reports on a possible cutback in defense cooperation between the two countries.

Australian ASSOCIATED PRESS says the attache, Brigadier John Moyle, hopes to clarify the issue following a report in the English language newspaper, THE JAKARTA POST. The newspaper has quoted Indonesia's military chief, General Benny Murdani, as saying a recent article in the SYDNEY MORNING HERALD would cause repercussions for the defense cooperation program. The article raised questions about the financial affairs of President Suharto and his family. AAP says it is confirmed from a senior Indonesian source that General Murdani has threatened a substantial cut in defense cooperation.

### Ban on Australian Travelers Lifted

BK230732 Hong Kong AFP in English 0713 GMT 23 Apr 86

[Text] Jakarta, 23 Apr (AFP)--The government Wednesday reversed a day old decision to ban Australian tourists without visas from entering Indonesia, Communications Minister Akhmad Tahir announced.

Speaking to journalists after meetings with both President Suharto and Justice Minister Ismail Saleh, Mr Tahir said, however, that the ban, which was enforced Tuesday without notice, was still applicable to Australian journalists.

The snap ban was the latest in a series of retaliatory measures taken by the government after an Australian newspaper, the SYDNEY MORNING HERALD, published a story comparing the business interests of President Suharto's family and associates to those of ousted Philippine President Ferdinand Marcos.

Mr Tahir said immigration officials had already been instructed to lift the ban, and that Indonesia's ambassador to Canberra had also been notified.

Asked to comment on the refusal of authorities to allow 78 Australian tourists to land in Bali, and another 12 in Jakarta Tuesday, the minister said only that he understood their airfares had been refunded.

### Armed Forces MPs Denounce Article

BK161435 Jakarta Domestic Service in Indonesian 1200 GMT 16 Apr 86

[Text] The armed forces faction in the Indonesian parliament believes that the negative article by Australian journalist David Jenkins on the Indonesian head of state, Suharto, has seriously hurt the feelings of the Indonesian state and people. The armed forces faction strongly denounced the article because it is not only slanderous to President Suharto, but also affects the dignity of the country.

In connection with the incident, the armed forces faction hopes that the Australian Government and people will make serious efforts to avoid the occurrence of negative incidents if the Australian Government sincerely wishes to foster close bilateral relations between two neighboring countries. The armed forces faction believes that the New Order leadership is needed to make development programs a success. The faction also finds it necessary to continue the New Order struggle through national development under a strong national leadership.

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CSO: 4200/932

FORMER MINISTER SANUSI CHARGED IN PLOT AGAINST SUHARTO

BK191223 Jakarta THE JAKARTA POST in English 16 Apr 86 p 1

[Text] Jakarta (JP): Convicted former Minister Mohammad Sanusi appeared in court Tuesday to face charges of plotting to assassinate President Suharto.

Presenting the indictment before the Central Jakarta district court, state prosecutor Bagio Supardi said that the 65-year-old Sanusi had planned to assassinate President Suharto on at least three occasions in 1982 and 1983.

Sanusi, former minister for small-scale industries between 1966 and 1968, former member of the DPR (Parliament)/MPR (Congress), and President of United Economy & Engineering Consultant, was sentenced to 19 years in jail by the West Jakarta district court last year after he was found guilty of financing three bomb attacks that rocked the city on 4 October 1984, killing two people. [Words missing] called Group of 50, a political group opposed to the government, in December 1981, to topple President Suharto, whom they called the "pharaoh," before the "cock crowed in 1983." They also allegedly planned to change the government with a NASABRI (National, Religious and Armed Forces) coalition.

In the following meetings held in the capital city and in Yogyakarta in 1982 and 1983, Sanusi allegedly initiated plots to assassinate President Suharto. He reportedly gave Nuriman, a Moslem preacher, a total of Rp 4.9 million to finance the bombing of the president's car on JL Cut Mutiah, Central Jakarta.

The plan, however, was not realized, and the defendant then allegedly discussed another way to murder the president. He agreed, when in February 1983, Marwan Ashuri, Abdul Syukur and Sujatmoko, told him about a plan to assassinate the president on 23 February at the Borobudur temple in Central Java. Sanusi then allegedly provided Rp 750,000 to finance the plot.

The plan was never carried out, but the temple was damaged by time bombs 1 year later. No casualties were reported.

As the plots were not successful, Sanusi in March 1983 told Nuriman and Mursalin Dahlan to blow up the DPR building and gave them Rp 1 million to do so. This plan was not carried out either.

According to the prosecutor, Sanusi believed that the President had violated the New Order objectives, accumulated assets by abusing his authority and that the parliament and DPA (Supreme Advisory Council) were not able to give him advice. Sanusi (?advocated) using force and revolution like the one in Iran because the constitutional way would not be effective.

Sanusi also allegedly asked Moslem militants from Central and East Java to come to the city to join the demonstration to support the new cabinet (to be arranged by Sanusi and his associates), which would be announced later by the would-be acting president Adam Malik. In connection with this, the defendant allegedly gave Ashuri Rp 1 million to organize the demonstration.

The indictment also said that the defendant, as the chairman of BPMA (Aqsa Mosque Defense Council), had made use of the meeting of the council's executive board in 1983 to express his political ideas: Sanusi allegedly told the meeting that five political groups--NASABRI, Fosko ABRI (retired officers discussion group), the Sukarno-Hatt Foundation, the Group of 50, and LKB (Foundation of Constitutional Awareness), which had the goals of toppling President Suharto, upholding Pancasila democracy, opposing Pancasila as the sole state ideology and opposing the Indonesian Chinese domination of the economy.

"I don't understand the indictment. It is illogical," said Sanusi after the prosecutor finished reading it.

The white-haired defendant, who wore a light brown batik shirt with dark brown trousers, told the court in his rebuttal, read in the same session, that he denied all charges. "It is an extraordinary, super-sensational indictment, which is based on slander," he said.

According to the defendant, the statements on which the indictment was based were obtained from witnesses who had been tortured and oppressed. He said he did not know most of the people linked to him in the indictment.

Sanusi said that Group of 50 was a national forum to discuss socio-political problems. It reported the results of its discussions to the parliament, he said. The group was based on Pancasila and 1945 constitution, and had nothing to do with an Islamic State, as the prosecutor had alleged.

He admitted that he once opposed the draft of a law on Pancasila as sole ideology of mass organizations. But, as the parliament then accepted it, he consequently accepted it too.

The trial session, which was held under heavy security, was adjourned until Saturday when the defense lawyers will present their rebuttal of the indictment.

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CSO: 4200/931



SEPARATISTS KILL 6 IN IRIAN JAYA PROVINCE

BK220619 Hong Kong AFP in English 0459 GMT 22 Apr 86

[Text] Jakarta, 22 Apr (AFP)--Separatists in the Indonesian province of Irian Jaya have killed six Indonesians, including at least three soldiers, diplomatic and petroleum industry sources said Tuesday.

The six were shot dead during two incidents between 10 and 20 March near the town of Sarmi, 150 kilometers (90 miles) west of the provincial capital, Jayapura. The attacks occurred in a zone where the Dutch Shell Oil Company has been engaged in seismic studies, the sources said.

Some sources said that the three killed in the first incident were Indonesian soldiers, but other sources said the three were civilian employees of the Indonesian National Oil Company, Pertamina.

The sources said that in the second incident firing broke out when rebels from the Free Papua Movement (OPM) raised an OPM flag on a building and that three Indonesian soldiers were killed.

Shell representatives in Jakarta declined to confirm or deny the reports but other oil industry sources told AGENCE FRANCE-PRESSE that after the incidents Shell had halted its studies in Irian Jaya.

Shell has run into problems before in this northeastern area of Irian Jaya. In April last year, about 30 OPM rebels captured two helicopters on operations for Shell and kidnapped three crew, two Dutchmen and an Indonesian. The trio were freed shortly afterwards for a ransom of \$8,000.

The province--formerly Dutch New Guinea--was annexed by Indonesia in 1963 after a brief war between the Netherlands and Indonesia. It is populated by some 1.4 million Melanesians and Papuans, which belong to ethnic groups which differ sharply from the rest of the people of Indonesia.

The OPM, which has several hundred members, wants to cut links with Jakarta and move closer to Papua New Guinea, which makes up the other half of the island on which Irian Jaya is located.

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CSO: 4200/931

SHORT, LONG TERM PROSPECTS FOR OIL INDUSTRY VIEWED

BK221159 Hong Kong AFP in English 0957 GMT 22 Apr 86

[Text] Jakarta, 22 Apr (AFP)--The decision by the Organisation of Petroleum Exporting Countries (OPEC) to set an output ceiling of 16.7 million barrels a day should stabilize crude rates but it is unlikely to boost them, oil industry executives said here Tuesday.

One result of the Geneva meeting that ended Monday would be a new rise in this country's production to 1.6 million barrels a day, they said.

Indonesia has let its output run untrammelled since February. It was restricted to 1.33 million barrels a day when OPEC quotas applied, but shipments abroad have been pushed higher under the policy of defending Indonesia's market share.

March crude output was 1.5 million barrels a day, an Energy Ministry official said recently. The Finance Ministry said production could rise to 1.6 million barrels if world crude prices stayed down too long.

Central Bank figures here show that oil and gas exports were U.S.\$8.9 billion last year against a 1984 total of \$11.7 billion. The decline occurred despite a rise from \$3.4 to \$3.8 billion in the value of liquefied natural gas (LNG) shipments.

Industry executives believed that President Suharto's austerity programme might be toughened up in the wake of the Geneva outcome. The 1986-87 budget was worked out on the basis of an average crude rate of \$25 a barrel, some 55 percent of the budget being financed from oil revenues.

Indonesia is currently renegotiating its LNG contracts. This is the top world exporter and its price used to be linked to a "basket" of crude rates.

Negotiations are in progress with Japan and South Korea who are seeking a price drop from \$5 to \$3 per million British thermal units.

It is clear that earning prospects for Indonesia look far from rosy at present, but some companies take the view that permanently low and stable crude rates could improve the market scene in the long run.

They note that half the oil exported by this country is extracted at a price of less than \$2 a barrel.

A prolonged period of cheap oil could force the companies operating in the North Sea and the United States including Alaska to halt extraction, because of puny returns.

Three or 4 years later, prices should start to recover and exploration could resume in Indonesia, they argue.

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CSO: 4200/931



## BRIEFS

AGREEMENT WITH NETHERLANDS DEFENSE MINISTRY--Indonesia and the Netherlands have signed a memorandum of understanding to create good relations between the defense ministries of the two countries. Through the cooperation, both countries are expected to increase their cooperation in the future. The memorandum of understanding was signed on Friday in Jakarta by Secretary General of the Dutch Defense Ministry De Mann and his Indonesian counterpart, Yogie Supardi. Secretary General De Mann was accompanying the Dutch minister of defense, De Ruiter, on a visit to Indonesia. [Text] [Jakarta International Service in English 0800 GMT 20 Apr 86 BK] /6662

SUHARTO MEETS ROK, U.K. GUESTS--President Suharto this morning received a courtesy call from a delegation of the South Korean Audit Bureau headed by (Wong Yo-sin). Later on, the president also received a courtesy call from a British parliamentary delegation led by (Peter Thomas), who discussed the Indonesian economic situation, especially its agriculture programs, with the president. The British parliamentary delegation is now visiting Indonesia on a fact-finding mission on Southeast Asia. The delegation will proceed to Kuala Lumpur, Malaysia, tonight. [Text] [Jakarta Domestic Service in Indonesian 0700 GMT 21 Apr 86 BK] /6662

ECONOMIC REVIEW BANNED--Jakarta, 24 Apr (AFP)--The April 24 issue of the Hong Kong based weekly the FAR EASTERN ECONOMIC REVIEW (FEER) has been banned in Indonesia, a spokesman for the Attorney General's Office said Thursday. No reason was given for the ban on the news weekly, which carried stories on Indonesian-Australian and Indonesian-Thai relations. It was the second time in a month and at least the third time since the beginning of the year that the review had been banned in Indonesia. Indonesian-Australian relations deteriorated sharply after the publication by the SYDNEY MORNING HERALD April 10 of a list of assets held by the family and business associates of Indonesian President Suharto. The story on Indonesian-Thai relations highlighted the differences between Indonesia and Thailand on Cambodia. On March 15 the FEER's Jakarta correspondent, Lincoln Kaye, left Indonesia after being told his work permit would not be renewed. He has yet to be replaced. [Text] [Hong Kong AFP in English 0614 GMT 24 Apr 86 BK] /6662

CSO: 4200/941

REPORTAGE ON REACTION TO U.S. AIR STRIKES AGAINST LIBYA

Foreign Minister Condemns Attacks

BK181419 Kuala Lumpur BERNAMA in English 1413 GMT 18 Apr 86

[Text] Kuala Lumpur, 18 Apr (BERNAMA)--Malaysia is of the opinion that the United States air strikes against Libya are an international crime to be condemned by all peace-loving nations, Foreign Minister Tengku Ahmad Rithauddeen said Friday [18 April].

Despite the various reasons furnished by the American Government, the sacrifice of innocent lives including children was a brutal act endangering world peace, he said in Kota Baru, about 660 km from here.

The attacks would not help eradicate what the Americans claimed was an international terrorist movement initiated by Libyan leader Col Mu'ammarr al-Qadhdhafi, if such a movement did indeed exist, he added.

He said Malaysia, as a nonaligned nation enjoying cordial relations with both countries, would never side with any country perpetrating violence on smaller nations.

Tengku Rithauddeen said the United States, as the larger country, should have employed other means to pressure Libya and not use armed force if it was true Col al-Qadhdhafi was responsible for the bomb blast at a disco in West Berlin.

Worldwide condemnation of the attack, including from pro-American countries, proved the attack by President Ronald Reagan had violated the United Nations Charter, he said.

Malaysia feared further threats to world peace should the dispute not be brought to the conference table immediately.

Tengku Rithauddeen reiterated Malaysia's stand that military might was not the answer to any conflict as it would only cause loss of property and lives of innocent people.

He said Malaysia was confident the United Nations Security Council would be able to provide a peace formula for the two countries as soon as possible and hoped measures would be taken to frame the formula.

Malaysia would pray for Libya's safety from all dangers, he added.

#### Libyan Envoy Urges Condemnation

BK181431 Kuala Lumpur BERNAMA in English 1414 GMT 18 Apr 86

[Text] Kuala Lumpur, 18 Apr (BERNAMA)--Islamic countries were Friday called to condemn the United States air strikes on Libya on Tuesday.

Libyan Ambassador to Malaysia Ahmad Bahlul [name as received] said such an act of terrorism by the United States killed many innocent people and children.

Speaking at a press conference here, he said the people of Libya would stand by their leader Col Mu'amar al-Qadhafi to save their country even though they might have to sacrifice their lives and property. He said Libya would not send its army on retaliatory strikes but would continue to fight for its rights if threatened by superpowers such as the United States.

Several officials from the various Islamic missions present at the press conference voiced support for the Libyan leader.

The Palestinian Liberation Organisation (PLO) representative here in a statement condemned the American action and promised help for Libya in facing the American threat.

PLO also condemned the presence of U.S. ships in the Mediterranean, Sidra Gulf and near the Arab-Libya coastal areas.

The representatives of the Kuwaiti, Bangladesh, Turkish, and Pakistani governments also condemned the U.S. air strikes on Libya and called on all Islamic countries to provide assistance to Libya.

#### Editorial Criticizes U.S. Raids

BK191001 Kuala Lumpur NEW STRAITS TIMES in English 17 Apr 86 p 12

[Editorial: "The Seeds of War"]

[Text] The Monday pre-dawn attack by American warplanes in highly urbanised areas inside Libya has been described as the biggest U.S. air raid since the tragic Vietnam War. In a calculated display of firepower and destructive force, as many as 18 F-111 bombers (flying from two bases in England) and 15 A-6 and A-7 fighter-bombers (from two aircraft carriers in the Mediterranean) hit five major targets including the headquarters of the Libyan leader Col Mu'amar Qadhafi in the capital city, Tripoli airport

and a military airfield in Benina near Benghazi, the second largest Libyan city. All this, according to President Ronald Reagan (who had ordered the attack), in retaliation for the 5 April bombing of a discotheque in West Berlin, killing two (including one GI) and injuring some 230 others.

An eye for an eye? An act of self-defence? Is this the right thing to do? Yes, according to President Reagan and Mrs Margaret Thatcher (an accomplice in Libyan eyes). No, according to the rest of the world. The American leader has probably forgotten that his recent military action in the Gulf of Sidra (only 3 weeks back) has been counter-productive--having boosted the Libyan leader's support at home and in the Arab world, instead of cutting him down to size. "If necessary, we shall do it again," Reagan said in defence of his Monday raid. The futility of bombing (Hanoi and other targets were attacked in the Vietnam War) should not be forgotten. The Barbary pirates of the past are no longer around to be chastised.

The danger is that over-reaction through such blatant use of force will set in an uncontrollable chain reaction of violence. "We are at war," Col Qadhafi said immediately after the recent show of strength at the Gulf of Sidra. He has threatened to meet force with force. The American nuclear bases have been singled out for retaliation; suicide squads can be sent to take the terrorist war inside the United States and against American targets across the globe. In fact, both the United States and Britain have braced themselves for Libyan retribution. American embassies and military installations are now put on full alert. But in any form of attack (whether it is a so-called "surgical strike" by one side or a riposte by the other), innocent lives are at stake. Might is not right; and should not be construed as such.

The Malaysian Government has condemned the "latest show of strength" on the part of the United States. It has also rightly deplored what it has called the policy of aggression. Violence breeds more violence. Restraint is in order. A diplomatic solution, not military action, is required to halt the escalating U.S.-Libyan conflict. Both sides should negotiate, not fight, to end their dangerous confrontation. A peace offensive should be launched, not bombers and other warplanes capable of sowing the seeds of war and wreaking destruction in their supersonic flight.

/9604

CSO: 4200/933

RITHAUDDEEN VIEWS HUNGARIAN TRADE, PHILIPPINE'S SABAH CLAIM

BK171313 Kuala Lumpur BERNAMA in English 1241 GMT 17 Apr 86

[Text] Kuala Lumpur, April 17 (OANA-BERNAMA)--Hungary has expressed hope of having direct trade with Malaysia to boost economic ties between the two countries, Malaysian Foreign Minister Tengku Ahmad Rithauddeen said here Thursday.

"We welcome the idea. In the past, trade between us was through a third country and besides this, it has always been in Malaysia's favour," he told reporters after Hungarian External Trade Minister Peter Veress called on him.

In this way, counter trade could also be stepped up, he added.

Tengku Rithauddeen said Malaysia recorded a trade surplus of M\$19.8 million (about U.S.\$7.47 million) with Hungary in 1982.

According to him, Malaysia could take advantage of Hungary's experience and advanced technology, particularly in the field of transport and building of buses and coaches.

Tengku Rithauddeen said the Hungarian delegation which includes businessmen would also hold talks with the members of the National Chamber of Commerce.

Veress arrived Thursday for a four-day official visit.

Meanwhile, Tengku Rithauddeen said he was prepared to listen to the views of Philippine Vice-President and Foreign Minister Salvador Laurel on the Philippines' so-called claim on Sabah. "The Filipinos know our stand on the issue," said Tengku Rithauddeen who will be meeting his Filipino counterpart for the first time, at the Association of South East Asian Nations (ASEAN) foreign ministers' meeting with United States President Ronald Reagan on May 1.

On whether Malaysia would take up the matter of the U.S. attack on Libya at the meeting, he said he would discuss the incident with his ASEAN counterparts first.

Besides bilateral discussions including economic issues, ASEAN would also pursue the Kampuchean problem with the U.S. President, he said.

/6662

CSO: 4213/134



## BRIEFS

**TRADE VENTURES WITH HUNGARY**--Hungary is willing to increase its trade with Malaysia and set up joint venture companies. Hungarian Foreign Trade Minister Peter Veress said Malaysian chamber of trade and commerce and their Hungarian counterparts have signed an agreement to foster closer cooperation toward this objective. Noting that a large portion of trade between the two countries is currently being handled by a third party in West Europe, he proposed that efforts be made to increase direct trade. Hungary imports Malaysian tin, rubber, palm oil, spices, and cacao valued at 26 million ringgit annually. Hungary, in turn, exports fertilizer and plastic products valued at 5 million ringgit annually. Mr Veress, who has been in Malaysia since Thursday, was speaking at a news conference in Kuala Lumpur today. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 19 Apr 86 BK] /6662

**MAHATHIR MEETING WITH BRITISH MP'S**--Datuk Sri Dr Mahathir has said that relations between Malaysia and Britain have been further developed since his counterpart, Mrs Margaret Thatcher, visited Malaysia last year. A Foreign Ministry spokesman said that the prime minister also expressed his desire to foster closer cooperation with Britain. Receiving three British members of parliament, the prime minister gave the reason why Malaysia adopts the "buy British last" policy. The Foreign Ministry spokesman added that the prime minister also said during the meeting that Britain has adopted an indifferent attitude toward Malaysia's need for manpower to develop the country by increasing tuition fees for Malaysian students seeking higher education in Britain. The British delegation led by Mr Peter Thomas is on a fact-finding mission to the region and to assess bilateral relations. Meanwhile, Deputy Foreign Minister Datuk Abdul Kadir Sheikh Fadzir told newsmen following his talks with the (members of parliament) that they agreed that Britain had suffered a great loss following its decision to increase tuition fees. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 22 Apr 86 BK] /6662

**NEW MURUT COMMUNITY PARTY**--A new party, the Party Murut Sabah, was launched today. Its pro tem president is Tan Sri Haji Sufian Koroh, a former deputy chief minister under the Berjaya government and its secretary general is Senator R.M. Jasmi. Tan Sri Sufian said the objective of the party was to safeguard the interest of the Murut community in the economic, social, education, and political fields. He added that his party would contest in at least five constituencies in the coming state elections. Party Murut Sabah was registered yesterday and it has already applied to join the Barisan Nasional. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 17 Apr 86] /9604

165 CANDIDATES IN SABAH ELECTION--Kota Kinabalu, 19 Apr (BERNAMA)--A total of 165 candidates will contest in the East Malaysian Sabah State elections, polling of which is set for 5 and 6 May. They filed their papers at 20 nomination centers throughout the state Saturday morning. Seven parties have fielded candidates, with the ruling Parti Bersatu Sabah or Sabah United Party (PBS) leading with 47. It was to have stood in all 48 constituencies had its candidate for Sri Tanjong not have his papers rejected on technical grounds. Party Berjaya will be contesting in 37, the United Sabah National Organisation (USNO) 27, Parti Cina Sabah or Sabah Chinese Party (PCS) seven, Sabah Chinese Consolidated Party (SCCP) six, Pasok (a Kadazan-based party) two and Parti Murut Sabah or Sabah Murut Party (PMS) five. Thirty-four independents have also joined in the fray. [Excerpt] [Kuala Lumpur BERNAMA in English 1437 GMT 19 Apr 86] /9604

CSO: 4200/933

NEW CALEDONIA

NOUMEA WEEKLY REPORTS LIBYAN BACKING OF MILITANT GROUPS

BK181314 Melbourne Overseas Service in English 0810 GMT 18 Apr 86

[From the "International Report" program presented by Bernadette Skiews]

[Text] If reports from New Caledonia are correct Libya's leader, Colonel al-Qadhdhafi has now expanded revolutionary influence into the South Pacific. The reports suggested he has formed an alliance with political movements in Irian Jaya, Vanuatu, and New Caledonia. Trevor Watson says that the reports claim an agreement to establish a Pacific Revolutionary Committee with Libyan political and financial support was reached at a conference in Tripoli last month.

[Watson] A weekly newspaper published in Noumea called (BUENANDO) claims the Libyan-sponsored alliance has been joined by the Irian Jayan Independence Movement, the OPM [Free Papua Movement], Vanuatu's ruling Vanuaaku Pati [National Party], and New Caledonia's United Front for Kanak Liberation, the FULK.

(BUENANDO) says the alliance was initially discussed at a meeting in the Vanuatu capital, Port Vila, last December and ratified in Tripoli at an international conference of the liberation movements. More than 300 political groups were represented at the conference, including the Palestine Liberation Organization. The FULK leader, Yann Uregei, led a delegation of six from New Caledonia. He is yet to comment on the (BUENANDO) report.

Vanuatu's foreign minister, Sela Molisa, was also at the conference, representing Father Walter Lini's Vanuaaku Pati. However, a party spokesman had described the newspaper article as totally wrong. Nevertheless, an independent report from New Caledonia suggests that Libyan money is now being held in a Port Vila bank account and will be used to support alliance activities.

(BUENANDO) says that among other things, Libya has offered to instruct South Pacific militants and claims that a member of the FULK will leave for Tripoli shortly for 6 months of unspecified training. It also says that the United Front for Kanak Liberation intends opening an office in the Libyan capital.



The newspaper is published by a coalition of anticolonial parties, the Kanak Socialist National Liberation Front, or FLNKS. For the moment, the coalition believes that a peaceful end to French colonial rule in New Caledonia is possible and its more moderate members have been embarrassed by the FULK's connections with Libya.

The FULK leader, Yann Uregei, was the coalition's foreign affairs spokesman until his visit to Tripoli. The front will meet in June to consider the FULK's continued membership of the coalition.

The third group said to have joined the Libyan alliance is the Free Papua Movement, the OPM, which has been fighting Indonesia's control of Irian Jaya for more than 20 years.

A source within the OPM refused to comment on the (BUENENDO) report, but did say that OPM representatives in Europe have been approached by Libyans with offers of political and military assistance. The source then warned that if the Western world continued to ignore the OPM struggle against Indonesia, it would consider turning to Colonel al-Qadhafi or even the Soviet Union for help.

In a final comment, (BUENANDO) says that Libya's interests are not necessarily the same as those of the Kanak people and it concludes that Colonel al-Qadhafi merely intends using the Pacific for his own purposes.

Diplomats in Noumea and Port Vila say they know nothing of the revolutionary alliance, although one commented that she was not surprised by the newspaper report.

In Canberra, an Australian foreign affairs official remarked that the Hawke government would be concerned if the report proved to be true.

/9604

CSO: 4200/940

DAILY ANALYZES RURAL DISCONTENT WITH LABOR PARTY

Auckland THE NEW ZEALAND HERALD in English 24, 25, 26 Mar 86

[Article by Simon Collins; First in a three part series]

[24 Mar 86 p 4]

[Text]

In Wellington, on paper, it looked an excellent, well-reasoned speech.

It defended the Government's economic policy as "the only responsible choice" and argued that the old welfare state principle of universality had to be replaced by a new philosophy of self-determination.

But when the Prime Minister, Mr Lange, delivered it in Tauranga on March 14, it fell flat.

His audience of about 70 Labour Party activists attending the Waikato-Bay of Plenty regional conference of the party seemed to miss the point. The intellectual argument seemed irrelevant.

In the remainder of their two-day conference, the delegates shied away from divisive debate on Roger-nomics. Universality was hardly broached.

Instead, they were more concerned about the security of their jobs.

The Government is losing touch with these people. Throughout the East Coast it is difficult to find anyone

other than university-educated professional people who understand, let alone support, its economic policy.

### **Free Market Redundancies**

In the provinces the Minister of Finance, Mr Roger Douglas, has achieved in less than two years what his socialist forebears could not do in 50. He has convinced people that the economy cannot be left to the "free market."

It is still doubtful, however, whether the National Party can capitalise on this backlash. Only its dumped former leader, Sir Robert Muldoon, still draws wide support across all age groups for his willingness to "manage" the economy.

Whakatane, which accounts for one-third of the votes in East Cape, has already seen the effects of the free market when its biggest employer, NZ Forest Products, decided late last year to cut its staff by 210.

It offered redundancy terms which turned out to be generous enough to at-

tract more takers than it needed; and in the past month the town has enjoyed something of an artificial boomlet as many workers spend their redundancy pay on a new car or buying a business.

But most of them seem to have used the money to go to Australia. Virtually everybody in Whakatane seems to know someone who either has left, or is about to leave, the country.

### **Paid in Cash 'Under Table'**

Listen to one young family which has stayed. Their house is bare, a small box on a barren plot because they cannot afford to do anything with it.

He is a fencer and farm worker. This year the farmers cannot afford any labour, so on the dole he gets \$189 a week, out of which mortgage payments come to \$114 a week.

She, despite small children, has had to go out cleaning. He does what work he can get "under the table" for cash.

"A lot of people are getting money under the table

since Labour came in. Farmers are more likely to do that now," he says.

The family has had to sell the children's bicycle. But they are determined not to leave Whakatane to seek a job in the city because of the effect on the children.

"I had 16 shifts in my childhood. I don't want to do the same to them," says the father.

He voted National last time and says, "Give me Muldoon any day."

His wife voted Labour, but says that at the moment she would probably not vote at all.

### **Controls End 'Madness'**

In an older house in the town, a young father and electronic technician at the Forest Products board mill says there is "no way" he would vote Labour again as he did last time.

He believes it is madness to take away all controls and allow free imports, even of the kind of paper that is made in New Zealand.

"New Zealand cannot survive free enterprise. The result is disaster," he says.

A local ceiling contractor says he has never seen business so bad. A year ago he employed five people, now it is down to two. He says he will stay with National.

A young apprentice at the board mill says the tradesmen at the mill are complaining about high interest rates.

"If Muldoon was back they might sway," he says. He voted National last time but sees the present National leader, Mr McLay, as weak.

In the town centre shopkeepers are bewildered. Mr Bernie Knight, who runs an auto accessory shop, says business could be down by half.

"I don't follow politics," he says. "But I know that at the moment we are just getting crunched."

"Your power, rates, this GST that they want to bring in—everything is going up."

Only the sharebrokers next door, he says, seem to be doing well. "But you can't eat paper."

Even a pillar of the local community, Mr Wally Sutherland, a former national president of the Motor Trade Association, worries that "all this paper money" is unethical.

"He [Mr Douglas] is looking after the fly-by-nighters and the people who play with money instead of looking after the working man," he says.

With farmers not buying and families hit by high interest rates wanting to trade back their cars, Mr Sutherland says he has had the poorest year of the 34 years he has been in business in Whakatane.

One of his salesmen, married but unable to afford to have children, voted Labour last time, but says his interest rates have doubled and he will vote National next time.

"I like Muldoon. I like the way he stands up to things and doesn't procrastinate," the salesman says.

### **Borrowing Oversens**

Yet, by comparison with other rural areas, the eastern Bay of Plenty is relatively well off. The dairy farmers around Whakatane have had a good season, with the prospect of a drastic cut in income only next year.

A local accountant says many horticulturists have avoided high internal interest rates by borrowing overseas in amounts of around \$500,000 each.

They could suffer if the kiwi dollar value drops, boosting their required repayments. But borrowing has at least carried their risks into the future when they expect to be earning income to meet repayments.

Some workers at the board mill and elsewhere who still have their jobs, with increased wages, are still prepared to give Labour a fair go.

"It is painful. But there is light at the end of the tunnel," says one machine tender at the mill.

### **Gratitude For State House**

"Several people I have faith in — Mr Palmer, Mr Caygill, even Mr Prebble. While we have those people there, particularly Palmer, he is handing on good advice," he says.

A solo mother, recently granted a state house, says she will switch her vote from the New Zealand Party to Labour in gratitude.

But another woman, who voted for the New Zealand Party last time in protest at the selection of a Massey University sociologist, Robyn Leeming, as National candidate, says she would return to National if they choose "a local man who understands the area."

This is now likely. Robyn Leeming moved to the area after the last election with every intention of standing again. But she has now accepted a job in Auckland which will require her to be apolitical.

The National Party electorate chairman, Mr Peter Howard, says party membership is only about half-way to the 2500 required before a candidate can be selected.

But a membership drive is planned and a candidate will be chosen "within two months."

### **Policeman Possible**

Mr Wira Gardiner, a former director of civil defence who is now co-ordinating Maori employment schemes in Wellington, stood for nomination in 1984 and is expected to be asked to stand again.

However, party sources say the nod is more likely to go to a local candidate, possibly the senior policeman in Whakatane, Mr Brian Guy.

The Labour MP for the district, Anne Fraser, has made herself well known through weekly radio talk-back appearances and a column in the local newspaper.

She has been supported by visits from virtually every cabinet minister, with both the Minister of Energy, Mr Tizard, and the Minister of Social Welfare, Mrs Hercus, in the electorate last week.

Her major political weakness is that she is a woman in a conservative electorate where many people believe that a woman cannot understand the problems of farmers, in particular.

Most analysts believe that her major advantage in 1984 was the strong New Zealand Party vote of 17.8 per cent, the ninth biggest vote for that party in the country.

The New Zealand Party candidate, Mr Alistair Orr, a respected lawyer in Whakatane, says he is seriously considering standing again next time round. But he could not find anyone in the electorate who would still vote for him.

It is, however, by no means certain that a collapse of the New Zealand Party vote will necessarily benefit National.

Contrary to popular myth, the vote for the party last time was not a rural revolt against the 1982 Income Tax Amendment (No 2) Act. Rural booths accounted for only 511 of the 3209 votes cast for the party in the electorate.

### **Social Credit Support**

Rather, the high New Zealand Party vote appears to have come directly from people who voted Social Credit in 1981.

In the main horticultural areas in the west of the district, which would have been most affected by the

1982 tax changes, the total New Zealand Party-Social Credit vote in 1984 was only 46 higher than the vote for Social Credit alone in 1981.

Labour's victory in 1984, therefore, was much more a result of the big increase in the Labour vote itself throughout the electorate — and especially in the three biggest towns, Whakatane, Kawerau and Opotiki.

Local political officials believe this was partly because of a shift of Maori voters from the Maori to the general roll and partly because normally apathetic Labour supporters were spurred to vote by a superb Labour organisation.

With former Labour voters in the towns bewildered and disillusioned by Rogernomics — and likely to become more so after the present redundancy pay boomlet passes — it is probable that many will lapse into their normal practice of not voting at all.

In those circumstances it will be a major surprise if, in spite of her own energy, Anne Fraser can hang on to East Cape.

[25 Mar 86 p 24]

[Text]

Mr Richard Harris, senior vice-president of the Gisborne-Wairoa province of Federated Farmers, leaned back on his utility and took another puff on his cigarette.

"Normally, if Gisborne goes, the Government changes," he said.

"This time, Gisborne will go. But the Government probably won't.

"I think the Labour Government is prepared to sacrifice the rural seats."

There is probably no other electorate in the North Island which has had as bad a run of luck in the past two years as Gisborne.

A severe drought, which forced many farmers to send stock out of the region, was followed last July by disastrous floods which took months to clear up.

Stock numbers have still not recovered to their pre-drought levels.

Sheepfarmers on the region's slip-prone hill country have been hit by the removal of Government subsidies, low meat prices and a near-halving of land values, if they can find a buyer.

### **Tax Change**

Many have diversified into forestry, partly as a means of preventing erosion. But the new tax regime now being considered by the Brash committee is expected to abolish tax concessions for forestry.

Forest Service planting in the area is coming to an end as it has no more suitable land to plant.

Horticulturists are struggling with high interest rates on the Poverty Bay flats.

Mr Harris is one of many who have put their kiwifruit blocks on the market "for a

price," though he will keep his sheep and cattle farm.

Gisborne was proud to have grown from virtually no winemaking a few years ago to become one of the biggest grape-growing districts in the country, with several wineries providing extra jobs in the city.

This year viticulturists have had to pull out one-quarter of the district's vines, aided by Government subsidies. Ironically, subsidised workers laid off after cleaning up flood damage and planting forests have found work pulling out grapes.

A similar contraction is being forced on the local fishing industry, because of overfishing in coastal waters. More than a dozen East Coast fishermen have gone into receivership.

A UEB plant established with regional development aid to make cartons for local industry closed late last year, throwing about 20 people out of work.

To cap everything, with two major meatworks, Gisborne has been hit hard by the protracted freezing works strikes which have closed the main Kaiti works on all but seven days since February 1.

The Mayor of Gisborne, Mr Hink Healey, estimates that the loss of income of about 2500 freezing workers has cut spending in the city by about \$2 million a month.

Rumours are circulating in the town that as a result of recent sharemarket deals the giant Wattles-Waitaki conglomerate could take the opportunity of the strike to close the Kaiti works permanently.

The reduction of stock numbers in the region means that fewer works are required.

Partly in fear of further reductions in stock numbers at freezing works, the Kaiti freezing workers' union has disaffiliated itself from the Labour Party in protest at live sheep exports.

## MP Critical

But the Labour MP for Gisborne, Mr Allan Wallbank, has opposed most of the Government agricultural policies which have contributed to his constituency's worries.

In one memorable phrase he once said that he would lie down on the wharf across the path of any live sheep being loaded for export.

A former farmer and stock buyer, Mr Wallbank regularly attends Federated Farmers branch meetings and he has set up "task forces" of local citizens on farming and housing.

He has been supported by a succession of cabinet ministers. The Prime Minister, Mr Lange, was in town last month and the Minister of Education, Mr Marshall, was there last week to tour local schools.

The parliamentary select committee on primary production held an unusual sitting in Gisborne this month to hear submissions on the new quota system for fishing.

But it seems unlikely that any of this has been enough to stem an ebbing of political support for Labour.

## Swing to National

"I think people are swinging away from Labour to National," said Mr Healey, the mayor.

"I had a man in my office this morning, a married man with three children. Two years ago his weekly rent for his mortgage was just under \$100. Today it is \$162.

"Whenever people complain to me about the Government, I tell them, 'You put them in.'

"But a lot of people who voted for them have told me they are sorry the Government has not followed its full election promises. They have altered too much."

Mr Healey points to the growth of Rastafarian gangs in Gisborne and up the coast at Ruatoria as a sign of the deterioration of law and order.

In Gisborne, as in the rest of the country, it seems that the only thing going for Labour is the state of the National Party.

Asked what National had been doing in the electorate, Mr Healey said: "I haven't heard a thing."

Mr Bob Bell, who held the Gisborne seat for National for nine years up to the last election, has spent the past two years working on his house and picking up his old practice as a land valuer.

Now a deeply tanned 56, he said he had "played it very cool" until now because he just did not know whether he wanted to stand for Parliament again.

"But at the moment I am starting to develop a bit of the same attitude that I had in 1974 when I was getting very concerned about the way the country and the district were heading," he said.

## Key Problem

The key problem, he said, was economic instability, so that farmers and businesses could not plan for the future with any certainty.

"The aim must be a managed economy rather than a totally free economy," he said.

Mr Bell said he was also a firm believer in Government involvement in a "regional maintenance programme" for areas such as Gisborne.

"I am not suggesting massive subsidies or handouts. But some sort of incentive has to be put in place to encourage the owners to keep the freezing works open."

Mr Bell is still widely respected in Gisborne. But senior party officials believe that National could win more support at the next election with a fresh, younger face.



Two local members have already declared an interest in the seat, from opposite ends of the National Party spectrum.

Mrs Chriss-Ann Menzies, the wife of a local doctor, although "unashamedly traditional in personal values," said she felt there needed to be more women in Parliament and more attention needed to be given to the Maori vote.

### **Moral Majority**

The other declared nominee, Mr Terry Blake, could become one of the first representatives in Parliament of the new, Pentecostal church-based Moral Majority.

He is a self-employed panelbeater, elder in the multiracial Apostolic Life Centre, husband, and father of two.

"I am a strong believer in the family being the centre of a stabilised environment," he said.

Mr Blake also believes in making people work for the dole; a flat income tax rate; a return to import protection; tax incentives for exports and home ownership; and stabilised interest rates and exchange rates.

Selecting him would be a gamble which could well be too much for the staid Gisborne National Party to stomach. If it also decides that Mr Bell is too old, it could turn to its own electorate deputy chairman, a local city councillor, Mr Alan Brown.

Mr Brown, aged 49, was born in New Zealand but spent the decade of the 1960s running his own building business in Zambia, employing at the end about 100 people.

When he returned to New Zealand he did a diploma in counselling and worked as a school guidance counsellor in Gisborne for a further decade.

### **Bridge Project**

He left teaching when his house, an early hilltop homestead overlooking the city, was gutted in a fire several years ago. He has rebuilt the house and is now organising a Rotary project to rebuild the bridge of a ship wrecked at Gisborne in 1912.

He, too, wants to return to stable interest rates and exchange rates, some import protection and some assistance to farming.

"I do not believe New Zealand can go down the road of an open free market," he said.

The National Party has begun to play at Labour's game of bringing in party leaders, with the transport and Maori affairs spokesman, Mr Winston Peters, spending two days in the electorate last week.

Mr Wallbank himself concedes that there has been a swing against him, but he believes it is minimal.

He pointed to about 100 extra houses built or bought in Gisborne by the Housing Corporation since the change of government, the benefits of the new fishing quotas, and the help his farming task force would give to farmers in trouble.

He also noted that his majority of 2168 votes is the biggest of any Gisborne MP in this traditionally marginal seat since the 1920s.

Next year, like last time, Gisborne will be a straight fight between Labour and National, which the Opposition will only win if disillusioned Labourites cross the fence — or just stay home.

# Voting Patterns

How they voted in Gisborne in the 1981 and 1984 general elections:

	Lab		Nat		NZP		Dem		Total*
	1981	1984	1981	1984	1981	1984	1981	1984	
Gisborne	6935	8238	4800	5220	---	1029	2019	507	13827
Wainui	153	223	353	363	---	95	122	17	636
Tolaga Bay	64	146	95	125	---	21	83	12	248
Rural	636	886	1720	1636	---	272	327	88	2706
Specials, etc*	775	1019	894	1000	---	157	238	46	1923
Total	8563	10512	7862	8344	---	1574	2789	670	21166

\*Totals in right-hand columns include Values (total vote 126 in 1981, 66 in 1984). Special votes for 1981 are for 1981 boundaries, but other 1981 figures have been adjusted for 1984 boundaries.

[Text]

**Labour is in trouble in Hawkes Bay. If you want to know why, ask the Labour Party.**

Mr Mike Cullen is the voice of the Labour establishment in the bay. Son of a former MP for the seat who was Minister of Agriculture in the first Labour Government, he is national secretary of the Freezing Works Clerical Union, based in Hastings.

A strong anti-communist, he says he believes in market values, and supports the theory of Mr Roger Douglas' economic policy.

But he believes the policy is being implemented in a way that is alienating the Labour Government from its own working supporters.

The very bastion of the Labour Party in the bay, the freezing workers' union at the giant Whakatu works outside Hastings, has disaffiliated from the party in protest at Government approval of live sheep exports.

Four thousand striking Hawkes Bay meatworkers felt a sense of betrayal, Mr Cullen says, when the Labour MP for Hawkes Bay, Dr Bill Sutton, called last week for a return to work.

"When you have that sort of publicity, together with a strike in its fourth week, allied to economic policies which have never been clearly understood, then quite frankly Labour is in trouble in Hawkes Bay," Mr Cullen says.

#### **In Trouble**

"The movement is in trouble. I feel for the Labour Party, but that is the truth of it."

Mr Cullen, who himself stood for Labour in Hawkes Bay in 1978 and 1981, says the party has not explained to people in simple terms why their mortgage payments have doubled.

"Now there is this expression 'free market.' People do not know what it means," he says.

"You will get an automatic reaction. You saw this with Social Credit. People just could not understand their economic argument, and once Muldoon gave them the label of 'funny money,' that destroyed them."

He says Dr Sutton, a scientist, personifies the way the Labour Party has lost touch with its supporters.

"Since people like that have left university, they have been on a salary range of at least \$25,000 to \$30,000. When you have not actually sweated to find the milk money, you are not an expert on the problems of families," he says.

"It is that visible intellectual barrier that workers see as an obstacle to overcoming their particular problems."

Ironically, the secretary of the Whakatu freezing workers' union which left the Labour Party, Mr Nick Tichborne, is university-educated himself. He worked as a lawyer in Christchurch and went into the freezing works only when an offer of a law job in Hawkes Bay fell through at the last minute.

In between handing out food supplies to his striking members last week, he said the Labour Government's policies in general have not met with any favour at all with party members.

"Many longstanding Labour Party supporters have publicly stated they will not be voting Labour next time," he says.

"I have not heard of people who say they will vote National. But they will abstain."

Mr Tichborne himself favours the Government's economic policies, and says Dr Sutton deserves to hold Hawkes Bay.

#### **Policies Hurting**

"But I know that their free market, monetarist policies are hurting our members, particularly those in need of budgetary advice," he says.

The freezing workers in the Bay have been lucky that their strike has coincided with the harvesting season for apples and other fruit, and most of them have found work in the orchards to tide them over.

Hawkes Bay orchardists themselves are longer established than their colleagues in newer districts, without big mortgages to service.

But in spite of this, the Mayor of Hastings, Mr Jim O'Connor, says the strike and the farming downturn have had a drastic effect on shopkeepers in the city.

"Their sales are down. Clothing is really down. One of them told me he may as well not open the doors," Mr O'Connor says.

He has already had business people and superannuitants telling him they will switch their votes against Labour next time, although many blame MPs of both sides for accepting the big wage rise granted by the Higher Salaries Commission last year.

In one small six-shop block in the Hastings suburb of Flaxmere, Labour's biggest stronghold in the Hawkes Bay seat, two shops closed last week.

The vice-chairwoman of the Flaxmere branch of the Labour Party, Mrs Margaret Makirere, admits that "you hear people talking about the Higher Salaries Commission. The Government did a silly thing."

Some teachers also stopped working for the party in Taradale, the Napier suburb which is the biggest single population centre in the electorate.



But Dr Sutton believes that most people in the suburbs will stay loyal to Labour, even though he concedes that there is mounting frustration in the farming community.

"I do not think farmers really understand how much their incomes were supported by the previous subsidy system," he says.

For his part, he does not believe the exchange rate is a problem taken against a basket of currencies, and he says interest rates are high only because people still want to borrow to beat inflation.

"The rules have changed. People have not got used to that," he says.

#### Wanting Fight

"For 20 years it paid people to borrow. Now it does not."

He concedes that this will be a difficult year for the Government, with farmers' edginess being "stirred up very effectively by the National Party."

"I think the National Party has never been willing to give up Hawkes Bay. It hurt them to lose it," he says.

"They have given me 18 months of relative peace and quiet. Now they are wanting a real fight."

In the circumstances, it is no surprise that the National Party which is mounting that fight is not the free market party of Ruth Richardson or Mr Simon Upton.

Mr Bill Mathewson, a long-time party stalwart of Havlock North and deputy chairman of the Hastings electorate, says local people are also against Ruth Richardson's liberal position on social issues such as homosexual law reform.

"I believe as a party our philosophy was trying to get to the Right of the New Zealand Party, to the Right of Labour," Mr Mathewson says.

"In doing so, we were forgetting about the mass of people in the centre — the housewife and the small businessman, not the big financiers."

"All people want is common sense, not a dogma."

He says law and order will be a big issue in the election, with people afraid to go into parts of Hastings on a Friday night because of gangs.

A former Muldoon supporter who now believes National should make Mr Jim Bolger its leader, Mr Mathewson says, "There has never been more fertile ground to win, and there are only two ingredients missing — leadership and policy."

#### Candidate Search

There is also the small matter of finding a candidate to replace Sir Richard Harrison.

At least six people have been mentioned, including a Hastings city councillor, Mr Michael Dunk; the chairman of the Twyford branch of the party, Mrs Jean Hill; a furniture retailer, Mr Garry Mulvanah; a Waipawa farmer, Mr Ewan McGregor; and a former Napier candidate, Mr Kevin Rose.

At this stage the front-runner is said to be Mr Harvey Boyden, a former shearer turned sheepfarmer who stepped down as Hawkes Bay electorate chairman last week in order to seek nomination as the candidate.

A quiet-spoken 49-year-old with a grown-up family, Mr Boyden believes the present economic policies are leading Hawkes Bay into a disaster, with the present National leadership offering no clear alternative.

"The people in Hawkes Bay are worried about the direction of the National Party, particularly its economic direction," he says.

"We are a small country, and to survive we depend on trade. But there is going to be a drastic downturn in primary production."

"I think, to be honest, that farmers may have to be subsidised because the cost structure is divorced from the price system for primary products reflected in the export market."

Mr Boyden believes there are "sophisticated" ways of controlling interest rates without resorting to the blanket controls of the Muldoon era and calls for "a dirty float" to control fluctuations in the kiwi dollar.

#### Bolger Attributes

He, too, says there is a lack of confidence in the present party leader, Mr McLay.

"I think we have got to give him a little more time," he says.

"But I think Jim Bolger has leadership attributes. He handled probably the most difficult of all portfolios, labour, I think very well. It is good that we have him as a potential leader."

In Hawkes Bay, unlike East Cape and Gisborne, the National Party has one other big advantage in its push to regain the seat, in the collapse of support for the New Zealand Party.

Whereas in the other seats the new party largely just took over former Social Credit votes, in Hawkes Bay there was a clear jump in the rural vote for the New Zealand Party over and above previous rural support for Social Credit.

Those 624 rural New Zealand Party votes alone, if they all went to National next time, would be a big heave towards overcoming Dr Sutton's narrow 974-vote majority.

But the key to those crucial remaining 350 votes will, in Hawkes Bay as elsewhere, lie in the suburbs of the provincial cities which serve the farming community.

# Voting Patterns

How they voted in Hawkes Bay in the 1981 and 1984 general elections:

	Lab		Nat		NZP		Dem		Total*	
	1981	1984	1981	1984	1981	1984	1981	1984	1981	1984
Napier suburbs	2533	3535	2775	2787	—	3170	1266	241	6574	7733
Hastings sub's	1628	2388	1324	1421	—	638	881	178	3941	4621
Clive-Whakatu	805	1106	889	795	—	349	435	83	2299	2392
Rural	690	578	2060	1719	—	624	391	68	2901	2989
Specials, etc*	890	890	908	839	—	322	420	71	2004	2142
Total	6292	8555	8014	7541	—	3193	3383	629	17099	18679

\* Special votes and hospital votes for 1981 are for the full 1981 boundaries, but other 1981 figures have been adjusted to 1984 boundaries.

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CSO: 4200/934

JUSTICE MINISTER ON CONSTITUTIONAL COMMISSION

HK170807 Manila THE NEWS HERALD in English 16 Apr 86 pp 1, 6

[By Marichu Villaneuva]

[Text] A draft legislation for a proclamation promulgating a Constitutional Commission submitted to President Aquino for approval disqualifies any appointed member of the body from running for any office in any election or assuming any appointive position created by the Constitution in any branch of the government.

This safeguard is provided for under section 8 of the draft proclamation prohibiting any members of the Constitutional commission from such activities until after the final adjournment of the body and for three years thereafter.

Copies of the draft were given to newsmen yesterday by Justice Minister Neptali Gonzales who stressed that all its provisions are still subject to changes and final approval by the President.

Gonzales said this future disqualification clause was included in order to prevent a "trafficking" of public office where members cannot profit from the office that the commission will create in the new constitution.

Gonzales was named by Mrs Aquino last week as chairman of the screening committee that will accept all nominations to the appointive posts in the constitutional commission which will draft the new charter to govern the country under the new dispensation.

He declined however, to name the people who made the draft proclamation. He said this may be signed into law by the President within the week, following the timetable she had earlier set in formalizing the transition government.

The Constitutional Commission will consist of no fewer than 30 nor more than 50 members to be appointed by the President. Of this number, not more than 30 shall be designated as "regional" commissioners and the rest as "sectoral" commissioners.

The regional commissioners will be chosen from among individuals who in the past received some kind of electoral mandate, for example, former members of the parliament or the abolished Batasan Pambansa former 1971 Concon delegates, provincial governors or mayors.

The list of these individuals shall be distributed among the 13 regions of the country and their nominations may be made by registered political parties, civic, or religious organizations or individual citizens.

The deadline for nominations is not later than noon of May 9. This should be filed at the office of the Executive Secretary.

The names of the nominees will be published in newspapers of general circulation for three consecutive days starting not later than May 12.

In this way, Gonzales said, reactions and comments about the nominations can be elicited from the people in general who can express their opinions on the nominees in letters or telegrams addressed to the President through Executive Secretary Joker Arroyo.

Written "oppositions" to the nominations and the verified reasons for the opposition should be filed with Arroyo not later than noon of May 23.

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CSO: 4200/937

APPLICATIONS RECEIVED FOR CONSTITUTION COMMISSION SLOTS

HK190237 Quezon City BUSINESS DAY in English 18 Apr 86 p 15

[Text] More than 1,000 applicants-recommendees to the Constitutional Commission (Con-Com) have been received so far by the Aquino government, a Cabinet minister said, indicating a "scramble" for appointments to the commission that [words indistinct] new constitution to replace the Freedom Constitution.

Candidates to the Con-Com are being screened by a committee headed by Justice Minister Neptali Gonzales. Some leading candidates are former senators Lorenzo Tanada, the grand old man of the "opposition," Francisco "soc" Rodrigo and Lorenzo Sumulong. Ateneo de Manila University President Fr. Joaquin Bernas and former detainees Jose Ma. Sison and Bernabe Buscayno, are also included in the candidate's list.

Representatives from the youth, agriculture, labor, academe and business sector will also be appointed in the Con-Com.

The 13 regions will also be represented.

The creation of the Con-Com was mandated by Proclamation No 3 which also abolished the Batasang Pambansa and installed Mrs Aquino's Freedom Constitution.

The Con-Com shall be composed of not less than 30 but not more than 50 members.

Under the proclamation, a Con-Com member must be a natural born citizen or a citizen of the Philippines at birth.

To qualify as a Con-Com member, he or she must be of "recognized provity" known for independence, nationalism and patriotism. The candidate must be chosen by President Corazon Aquino after consultation with the various sectors of society.

However, former members of the Kilusang Bagong Lipunan right before the February revolution cannot qualify as Con-Com members, according to Executive Secretary Joker Arroyo.

The deadline for appointing Con-Com members will be on May 25, or 60 days after the announcement of Proclamation No 3 last March 25.

Mrs. Aquino, in issuing the proclamation, said the creation of a constitutional commission will "hasten the restoration of full normal constitutional government." The Con-Com will have full independence and freedom in accomplishing its sacred task, he added.

Proclamation No 3 did not specify the period for the completion of the drafting of the new constitution. It merely stated, "the commission shall complete its work within a short period, as may be consistent with the need to hasten the return of normal constitutional government and to draft a document truly reflective of the ideals and aspirations of the Filipino people."

However, Mrs Aquino in her speech during the signing of Proclamation No 3 said she hopes that the Con-Com "will complete its work within 30 days and that our people will have a new permanent constitution, and a truly elected parliament with one year from this proclamation."

Political Affairs Minister Antonio Cuenco earlier said the draft of the new Constitution should be ready by September 11.

The Con-Com will meet at the building of the defunct Batasang Pambansa in Diliman, Quezon City.

The Con-Com shall conduct public hearings to ensure that the people will have adequate participation in the formation of the new constitution.

The plenary session of the Con-Com shall be open to the public and duly recorded.

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CSO: 4200/937



REPORTAGE ON DESIGNATION, RESISTANCE TO OIC'S

Editorial Views 'Bad Signs'

HK171631 Quezon City ANG PAHAYAGANG MALAYA in English 9 Apr 86 p 4

[Editorial: "Bad Signs for the Government"]

[Text] The designation of OICs [officers in charge] being made by Minister Aquilino Pimentel of local governments seems to be creating a plethora of tension and hostilities for the new government of President Corazon C. Aquino. Although there is no point of disagreement on the need to dismantle the Marcos patronage machine in all levels of the political system, the way it is being implemented seems to be veering close to the dictatorial tendencies the new administration has been trying very hard to avoid despite the almost unlimited powers of its provisional governance under the "Freedom Constitution."

There is definitely no reason or legal ground for the incumbent local officials to stay another minute in office after March 3, 1986. The law provides this quite clearly and it is the law the government invokes in booting out the local officials and replacing them with new faces who will not behave like lapdogs and give, for once, the people the break they have not had the last 20 years. It is in the replacement of these officials where the problems lie.

For instance, there have been reports of glaringly undeserved appointments by Mr Pimentel that could have been avoided had a little more study and less hurry been observed. There are those who would not mind leaving their office if their replacements were not has-beens and a notch better than the officials they have replaced, as San Juan's Mr Estrada claims. In a Southern Luzon province, we heard reports--we hope for Mr Pimentel's sake that the reports were false--that two brothers have been appointed mayors of two towns while a non-resident and non-voter was designated vice mayor. The rationale for these appointments escape the reasoning process of citizens who could just scratch or shake their head in a gesture of helplessness and disbelief.

It is not hard to imagine that if such controversial choices continue to crop up, the day may come when the integrity of these appointments or designations will be lost completely to the people. The sad part about it is that most probably, Corazon Aquino will get all the blame for it.

### Provincial Officials Resign Over OIC's

HK180919 Manila THE MANILA EVENING POST in English 16 Apr 86 p 2

[Text] Lingayen, Pangasinan--Key officials of the provincial government have tendered their irrevocable resignations effective yesterday to protest what they called an "unjustified takeover of the office of the governor by an officer-in-charge."

They said they were against the takeover of the provincial government by someone not elected by the people.

Former Member of Parliament Demetrio G. Demetria of Binalonan, provincial chairman of the United Nationalist Democratic Organization, took over the reins of the provincial government yesterday.

Among those who resigned were provincial planning and development coordinator Rafael Baraan, provincial administrator Alberto de Guzman, provincial attorney Manuel Manual, and provincial board secretary Virgilio Solis, Jr.

Some members of the rank and file have also expressed their desire to resign but were prevailed upon by their respective heads in consideration of the economic security and status.

Another employee who resigned, population officer Luz N. Muego, said although Demetria was her townmate, she was resigning in protest against what she believed was an "unlawful takeover" of the provincial government.

### Laurel, Enrile Support Local Officials

HK180821 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 17 Apr 86 pp 1, 3

[By David C. Borje and Mel Parale]

[Text] Vice President Salvador H. Laurel and Defense Minister Juan Ponce Enrile said yesterday that the "political slaughter" of local officials should be put to a stop, since the stability of the nation itself is threatened.

Laurel, who is also foreign affairs minister, said that the government should refrain from creating a situation that could be exploited by both the NPAs and the KBL.

Laurel was referring to reports that the protests against the appointments of Officers-in-Charge [OIC] of local governments could be used by the radicals.

Enrile, who reported on his visit to southern cities recently, said that sweeping changes of local officials pose a serious threat to the peace and order situation in the country.

Enrile said the political squabbles between OIC's and elective officials, many of whom have refused to vacate their posts, could trigger violent confrontations that may prove difficult to handle.

Enrile urged the ministries of local governments and justice-to-coordinate with the Office of the President and look into this problem before it gets out of hand.

Laurel said agitations against the new government arising from unpopular appointments of OICs in local units could reach nationwide proportion and this could reverse the economic recovery efforts of the government.

Laurel said he has sent to President Aquino a proposal to defuse the "spreading public uproar" over the issue.

The Laurel plan calls for the retention of all incumbent mayors and governors as Officers-in-Charge of their respective local units until 90 days before the local elections slated next November.

Only those with pending cases or have been "notoriously abusive" should be summarily replaced, Laurel said.

Their replacements should be their respective vice mayor or vice governor, as the case may be. The government should only appoint its own OIC if the vice mayor or governor has also [a] pending case or is no longer wanted by their constituencies, Laurel said.

Laurel said: "In order to provide a just and speedy solution to the problem of OICs, incumbents who have been duly elected by our people and who have done a good job should be allowed to hold over until 90 days before election, regardless of their party affiliation.

"Only the rotten apples or those who have notoriously abused their office or have violated the law with impunity should be replaced, and the proper charges filed against them according to the rule of law."

Laurel noted that verified reports showed the KBL and NPA elements "are preparing to exploit the situation and add fuel to the fire."

Laurel said he will fight for the adoption of his proposal by the Aquino government even before the Cabinet is convened next Wednesday for its weekly evaluation session.

Meanwhile, Pimentel [Local Government Minister] yesterday belittled charges that he is causing divisiveness in the country because of the unpopularity of many officers-in-charge he designated in various local government units.

Pimentel said the officers-in-charge should not be blamed for the state of confusion prevailing in some communities. "The people creating trouble are the KBL supporters who are preventing the officers-in-charge from performing their duties and the KBL officials who refuse to relinquish power," he said.

Pimentel belied newspaper reports saying that Minister Enrile blamed him for the questionable manner in which OICs are being chosen.

He said he had asked Enrile about the statement during this morning's Cabinet meeting but Enrile denied having made such a statement.

Pimentel reiterated his stand that he is willing to nullify "erroneous" appointments of OICs in local government units. He added, however, that complaints should be backed up by facts.

#### Slain OIC Warned of Possible Bloodshed

HK210905 Hong Kong AFP in English 0836 GMT 21 Apr 86

[Text] Manila, April 21 (AFP)--The acting mayor of a southern town has been shot and killed two weeks after his rival warned that his assumption of the post could result in bloodshed, the PHILIPPINE NEWS AGENCY (PNA) said Monday.

An unknown gunman Sunday barged into the house of Abdulgafar Lutian, newly designated officer-in-charge [OIC] of Alcala in Zamboanga del sur Province, shot the official twice in the head, then fled on a motorcycle, PNA said.

Prior to Mr Lutian's appointment last April 7, then-incumbent Mayor Harun Kiram appealed to the acting governor, Javier Ariosa, to defer the appointment because bloodshed could occur between his followers and those of his successor.

The PNA report did not cite any motive for the attack. The party affiliation of the victim and his predecessor were not stated in the report.

Mr Lutian and Mr Ariosa were among scores of municipal and provincial officials appointed by Local Governments Minister Aquilino Pimentel to replace local officials loyal to deposed President Ferdinand Marcos.

President Corazon Aquino assumed sweeping power [word indistinct] transition government which she declared March 25, a month after a civilian-military uprising toppled Mr Marcos and forced him into exile.

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CSO: 4200/937

COLUMNIST ANALYZES FORCES IN RECONCILIATION, PLURALISM

HK171633 Quezon City ANG PAHAYAGANG MALAYA in English 9 Apr 86 p 4

[Column by Renato Constantino: "Reconciliation and Pluralism"]

[Text] There are two different aspects in the current advocacy for national reconciliation. One is the relationship between the supporters of the new order and the remnants of the old. The other is the relationship between the forces of real change who suffered most under the dictatorship and the present dispensation.

As far as the first aspect is concerned, the source of conflict does not arise from any basic difference in perception as to the root causes of our present crisis. Rather, the bone of contention has been the exercise of power, both political and economic. Hence, the conflict can best be characterized as an intramural between sectors of the ruling elite, the old one carrying the stigma of corruption and fascism, the new waving the banner of democracy and human rights behind which masses of people rallied.

From the Aquino point of view, reconciliation with the associates of Mr Marcos is not on the agenda. Their extinction as the residual Marcos forces is a necessary condition to future reconciliation possibly on a case-to-case basis. This is not a farfetched possibility given the typical politician's propensity for shedding old loyalties. The recently revealed ties between prominent Aquino partisans and the highest leaders of the previous regime (Ongpin and Kokoy Romualdez, Tan and Velasco) only serve to highlight the essential unity of the ruling class.

The more important segment involved in any moves for reconciliation consists of those who suffered from repressive measures under Marcos because of their political beliefs. Many, especially among the insurgent ranks, are awaiting a clearer enunciation of government policies. They would also like to know if there is a basic change within those agencies of government that were responsible for many crimes against human rights.

Some circles have invoked the Christian spirit in order to heal the wounds caused by the repressive measures of the [word indistinct] machine. Forgive and forget seems to be the animating attitude of those who would want an accelerated return to "normalcy." This [word indistinct] of thinking is flawed by a lack of a sense of justice for those who were killed, tortured and maimed by the gauleiters of the fascist establishment.



Let us remember that President Aquino stressed not just reconciliation but reconciliation with justice. In consonance with this commitment she appointed a Human Rights Commission. However, some discordant voices have recently aired their displeasure over the possibility of being investigated. Certain sectors in the military would like to bury the past. They want a new beginning without raking up the sordid involvement of some of their comrades. This would be reconciliation without justice.

The victims must be allowed to identify and confront their tormentors. The murderers and torturers must not go scot-free. They must pay for the crimes they committed not just against Ninoy Aquino or against the leading political detainees but especially against the little known dissenters in all corners of the land. This is the only way wrongs can be righted. This will also serve to warn all concerned against resorting in future to brutal acts as a part of routine police or military procedures.

In the euphoria of the moment, supported as they were by people power, leaders of the military rebellion proclaimed themselves the Armed Forces of the people or the New Armed Forces of the Philippines. The defection of military leaders who had faithfully supported the Marcos regime for twenty years was indeed a new development but this giant step did not necessarily guarantee a new outlook, a new philosophy. While the desire of the reformists to cleanse the image of the military is laudable, the Armed Forces will not be a real Armed Forces of the people until every last soldier is reoriented towards respect for people's rights. This reorientation cannot begin unless the guilty are punished and purged from the ranks.

For those who suffered during the fascist night because of their political beliefs, reconciliation must include recognition of pluralistic advocacy. Reconciliation must recognize differences in perceptions and political views. This means that advocates of change who have been labelled and libelled as "dangerous" must be allowed to articulate their demands.

The Aquino government's initial thrusts to restore human rights and civil liberties should impress upon those entrusted with power, especially the coercive apparatus of the state, that reconciliation does not mean blind acceptance of administration policies. On the contrary reconciliation requires the free ventilation of ideas from the orthodox to the iconoclastic.

Reconciliation must assume the sincerity of any advocate; reconciliation must grant the patriotic motivation of any dissenter.

Real reconciliation will be brought about only when the people and not just a few protagonists are allowed to participate in the determination of national policies. National reconciliation then becomes the end and not the beginning of a flourishing democracy. Our goal should be: national concord based on national independence and true democracy.

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CSO: 4200/937



COLUMNIST ON DEMORALIZATION AT GOVERNMENT OFFICES

HK160924 Quezon City BUSINESS DAY in English 15 Apr 86 p 6

["Here and Now" by Francisco S. Tatad: "Winning the Bureaucracy"]

[Text] Not even its most rabid supporters think the government is moving fast enough. President Aquino has appealed for patience, and patience she will get--one's choice seems rather limited at this point. But the pace has to pick up, if the government is to keep patience from running out.

What do people expect? They do not expect old and complex problems to disappear overnight. They expect no miracle while praying for it. But they expect to see the broad lines of policy clearly emerging now, rather than at a later date. They expect to see the priorities defined, and the government using its resources and tools to maximum advantage.

This is a new government--and that is a strength and a weakness. Strength, because it is not tied down to a past, and it happens to be very popular at the moment. Weakness, because it starts from zero in terms of experience. The President and her Cabinet, with one or two exceptions, are all new in their jobs--they must not only learn the ropes, but also learn to work as a Cabinet.

But this weakness can be minimized. There is enough experience the government can tap. I refer to the bureaucracy, whose individual members had mostly come out for President Aquino last February, but who today feel threatened with the loss of jobs. This bureaucracy has been badly demoralized over the years, and has its share of deadwood and misfits. But it can be improved.

Despite the widespread complaints against the corruption and decay everywhere in the Marcos government, we have discovered, to our pleasant surprise, that a number of departments and programs under the old regime had been run with professional pride and competence even in that supposedly most wasteful of all agencies, the Ministry of Human Settlements.

This means that no pharisee has the right to walk inside an office and assume that everyone there who ever worked for Marcos is a crook and deserves to be immediately fired. Unhappily, that's the frame of mind so many of the new

bosses have brought into their new offices. This has poisoned official relations and caused even greater demoralization and resentment among the long demoralized employees. Cooperation has become impossible and many of the new bosses who had never met a payroll before are left to drown in turbulent administrative waters.

The new bosses probably feel that so long as they have the President's confidence, they can run government without having to deal with the men and women who have until now run it. That's ridiculous. For them to function, they need the support of the civil service, and this they can hope to win only by showing some trust in the men and women who preceded them in office. They simply cannot afford to be walking about with a halo around their heads, telling bureaucrats they are not good enough to work for the new government.

It may be useful to cite here the rare example of Minister Lourdes Quisumbing when she took over the Ministry of Education, Culture and Sports [MECS]. Despite the various things she had heard before about the MECS, she told its personnel: "I consider all of you trustworthy until you lose my trust." Such was its impact upon the morale of the rank and file that a new spirit of service now pervades the MECS.

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CSO: 4200/937

PHILIPPINES

HUMAN RIGHTS SEEN AS 'BIG TEST' FOR AQUINO

HK170645 Quezon City WE FORUM in English 8-14 Apr 86 p 2

[Editorial: "Crucial Course"]

[Text] President Corazon Aquino, not a few presidential watchers claim, is tough and has a mind of her own. In fact, Madame Aquino had insisted that she cannot be dictated on by anybody.

It's easy to believe what she said.

The President has admirably smiled through the maze of problems, bureaucratic and otherwise; but the amazed presidential watchers must be told that the bigger, tougher tests have yet to come.

So her decision to handpick the drafters of the constitution continues to be criticized left and right.

But another big test coming her way are the cases of human rights violations. How she would eventually rule and mete out punishment against the guilty would ultimately test her mettle and sincerity.

The task won't be easy because this early not a few accusing fingers are pointing to some people who have helped her rise to power as among the guilty.

She could close her eyes and let the big oppressors go scot-free. Such a stance is not expected to shatter her rule. But it will ultimately determine what sort of president she will finally be.

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CSO: 4200/937

FORMER POLITICAL DETAINEES SET TO FILE CHARGES

HK190239 Quezon City BUSINESS DAY in English 18 Apr 86 p 15

[By Marites Danguilan-Vitug]

[Text] The first set of complaints on human rights violations against some officers and men of Armed Forces will be filed with the Presidential Committee on Human Rights (PCHR) within the month.

A total of 10 affidavits testifying to acts of torture by the military on former political detainees may comprise the initial batch of complaints. BUSINESS DAY was shown copies of the affidavits by co-counsel Jose Mari Velez, signed by the victims, most of them naming specific military officers and men involved in the abuse of human rights; others pointed to units in the Armed Forces. The officers and men, their units will be disclosed after the complaints shall have been filed, Velez said.

Velez also heads a group of exdetainees called SELDA which is assisting the human rights committee in its investigation of torture cases. Other groups like FIND, composed of relatives of missing political figures, and the Task Force Detainees (TFD) are also working closely with the committee headed by Jose W. Diokno.

Victims who are filing complaints include: Adora Faye de Vera, Arturo Revilla Jr., Danilo Mallari de la Fuente, Jose Mari Managbanag, Christopher Sorio, Gerry de Guzman, Jose Duran, Domiciano Anparo, Roberto Benosa, and Josefina Hilao Forcadilla in behalf of Lilibosa Hilao who was murdered April 6, 1973.

Lilibosa Hilao was gang-raped allegedly by seven soldiers in 1973. She was pistol whipped, her ears clamped, head banged on the wall and injected with truth serum. She was murdered allegedly by the soldiers who then poured muriatic acid in her mouth to make her death appear a suicide. Her body was then dismembered and her internal organs removed during an autopsy at Camp Crame to eliminate all evidence.

The rest of the complainants underwent "almost standard forms of torture. They were kicked, boxed, electrocuted, raped," Velez said.

De Vera, 30, was raped, got pregnant and forced to undergo abortion. Domiciano Amparo, 30, was arrested in June 1984 in Mt. Province and was made to dig his own grave and sit in it with legs straight and arms in his knees.

He was buried with head exposed. He was kicked in the face till his mouth started to bleed. Then he was pulled out of the grave in two hours--and the soldiers did it by holding on to his ears.

Duran, 33, De Guzman, 34, Dela Fuente, 37, Managbanag and Sorio both 26, were electrocuted. De Guzman was electrocuted continuously for 18 nights--in his genitals--thus was stripped naked. He was made to play Russian roulette, hanged naked upside down for seven hours, and was made to sleep on cold cement for five nights. He was kept for 18 days in a safehouse.

An organizer among the urban poor, Managbanag was hog-tied to a wooden stake and placed in the trunk of a car. Subsequently, he was subjected to water torture and given electric shocks on his genitals leaving him impotent. He was imprisoned in a cell without light or windows for over three years until released on June 7, 1985.

De la Fuente, a labor organizer affiliated with the National Federation of Labor, was made to open his mouth where the soldiers allegedly placed a gun and attempted to squeeze the trigger. He was hung by his ankles for five nights. He was seized Oct. 1984 and released 1985 for lack of evidence.

Other forms of indignities and torture some of them underwent were: standing naked or half-naked with the air-conditioner running full blast; submerging in dirty pool of water where carabaos dipped after they were left to dry in the sun; eating of paper.

Velez said the prospects are bright for justice to be brought to the torture victims since they can readily identify their captors and aggressors. But the task is more difficult, he added, in cases that involve disappearances and "salvagings" or summary killings. One obstacle, he pointed out, is the lack or absence of witnesses.

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CSO: 4200/937

## PHILIPPINES

### CIS CHIEF ORDERS PROBE OF BIG CRIMES, MURDERS

HK180613 Quezon City DZFM Radio in English 0400 GMT 18 Apr 86

[Text] The newly appointed chief of the Constabulary Criminal Investigations Service [CIS] has ordered the resumption of investigation of big crimes committed during the past regime. General Romeo Zulueta has given priority to big crimes like the killing of former Antique Governor Evelio Javier and the Floro Crisologo murder in Ilocos Sur. He ordered his [words indistinct] more on organized crimes and illegal gambling operations and that lesser tasks be delegated to local police forces.

Zulueta replaced Brigadier General Hermogenes Peralta as CIS chief.

In a related development, investigations will be conducted into the alleged murder of eight personnel of the Bureau of Forest Development [BFD] in Bangui, Ilocos Norte last month. The probe was ordered by Armed Forces of the Philippines [AFP] Chief of Staff General Fidel Ramos to acting PC-INP [Philippine Constabulary-Integrated National Police] chief Brigadier General Renato de Villa.

The bodies of the victims were reportedly discovered last March 9 one half kilometer west of Barangay Masabuyo, Bangui. Ramos directed de Villa to look into reports that elements of the 127th PC company were allegedly involved in the massacre of BFD personnel.

The AFP vice Chief of Staff [as heard] also ordered de Villa to investigate the alleged salvaging of one Marciano Jacinto in (Biggaan) by unidentified military men.

Meantime, a 5-man government team is going to Santa Catalina, Negros Oriental today to assess the burning of more than 50 huts and the killing of 9 farmers. The team will be headed by Emilio Teves, provincial head of the Ministry of Social Services and Development. It was formed Tuesday [is Mar] [as printed] following a meeting of the provincial coordinating council. The team will assess the condition in Santa Catalina town and will find out the extent of damage from the burning of the huts and the killing of farmers. The team will look into the granting of relief to the victims.

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CSO: 4200/937



ENRILE RECOUNTS EARLIER PLAN FOR REVOLT, FINAL SUCCESS

HK180923 Manila MANILA BULLETIN in English 17 Apr 86 pp 1, 20

[By Jose de Vera]

[Text] Defense Minister Juan Ponce Enrile disclosed yesterday that had the four-day military revolt in Metro Manila last February failed, Mindanao would have been the staging area of the revolution.

Enrile said the revolt was planned as early as 1982 with only a few highly placed military officers knowing the plan.

The defense minister said that the loyalists of then Armed Forces chief Gen Fabian C. Ver did not know that months before the Feb 22-25 revolution, 85 percent of the AFP [Armed Forces of the Philippines] officers and men was already on the side of the "revolutionaries."

Months before the revolt, the "revolutionaries" had stored fuel and other lubricants in various places around Metro Manila and far-flung areas for emergency use in transporting troops, he said.

The Air Force's C-130 aircraft was on a standby for orders to transport troops to Mindanao had the revolt in Metro Manila failed, Enrile said.

He also said that during the revolt, Navy gunboats had zeroed in their naval artillery on Malacanang and were just waiting for orders to fire.

Enrile said that what actually demoralized the Malacanang occupants then was President Marcos' refusal to attack Camp Crame despite the insistence of Ver and the attack of helicopter gunships on the Palace, Villamor Air Base, and Fort Bonifacio.

Four helicopters were destroyed by rocket fire at the Villamor Air Base. Also fired upon by the helicopter gunships was the military security unit building in Fort Bonifacio where they Army chief Maj Gen Josephus Q. Ramas was staying, Enrile said.

The rocket fire on the three places must have demoralized then President Marcos, Enrile said.

Enrile added that the radio and TV coverage of the human barricades around Camps Crame and Aguinaldo aggravated the demoralization of Mr Marcos and the other Malacanang occupants.

AUDIT COMMISSION FIRM ON MARCOS FUND DIVERSION CHARGES

HK190229 Quezon City BUSINESS DAY in English 18 Apr 86 p 14

[By Leticia M. Subang]

[Text] The Commission on Audit (COA) stands firm on its accusation that ex-president Ferdinand Marcos had diverted some U.S. economic aid funds, particularly the interest earnings of the Economic Support Fund (ESF) COA officials told BUSINESS DAY.

The statement came after a newspaper report quoting U.S. officials as saying that "the American and Philippine audits showed that some \$81 million in U.S. economic aid last year had been fully accounted for and was not 'missing' as some lawmakers had charged."

To prove their point, COA officials released documents, among them the letter of Finance Minister Jaime Ongpin, which became one of the basis of yesterday's report; U.S. representative David Obey's letter to the USAID demanding full accounting of the funds; the letter of J. Roberto Ablang, who was earlier pinpointed by COA to have "illegally disbursed" part of the ESF funds; and the February 1, 1986 memorandum of Marcos instructing that the interest earnings of the ESP proceeds shall constitute a "confidential fund."

Ablang, in his report to COA auditor last month, said based on the certification of the Bureau of Treasury issued on November 26, 1985, the actual interest earnings of the ESP special accounts amounted to P235.57 million.

"On the basis of such certification, the office of the budget and management issued advices of allotment, and notices of cash disbursement ceilings in the amount of P138 million," Ablang said. "The (notices of allotment) stated that the releases are chargeable against the general fund adjustments to be offset from the actual interest earnings of the special accounts," he added.

On the disbursement of the funds by the ESF secretariat, Ablang reported that P125.8 million was deposited at a combination deposit account at the Land Bank of the Philippines in the name of "Op-ESF secretariat." The checks which he drew--amounting to P35 million--last January 22 to February 4 were from this account, COA officials said. Of the said P35 million, P22 million is still unaccounted for. Ablang earlier said the withdrawal was made on Marcos' instructions, and "maybe spent by the government for what ever purposes it may deem necessary."

COA officials pointed out that Marcos' instruction creating the confidential fund is in itself illegal because the ESF is earmarked specifically for development projects such as roads and schoolbuildings.

U.S. officials cleared Marcos of the alleged misuse of the ESF funds after Ongpin assured them that the Philippine Government "has no problems" with accounting for the ESF-generated peso resources.

In his April 22 letter of Frederick W. Schieck, director of the U.S. Agency for International Development (USAID), Ongpin pointed out:

Questions have been raised in the newspapers with respect to the utilization by the former government of the Philippines of Economic Support Fund program assistance provided by the United States in December 1984 (\$47.5 million) and December 1985 (\$45 million). "The particular issue is whether the government of the Philippines can account for the peso equivalent of the total amount of \$92.5 million provided, i.e., P1.79 billion."

Ongpin said the \$47.5 million released by the U.S. Government last December 1984 became part of the foreign exchange reserves of the country. As provided by the 1983 memorandum of agreement of the Philippines-U.S. military bases agreement, this assistance was to support the balance of payments position of the country.

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CSO: 4200/937

REPORTAGE ON ACTION OF MARCOS SUPPORTERS, REACTION

Followers Seek Rival Government

HK161222 Quezon City BUSINESS DAY in English 15 Apr 86 p 22

[By Abrino Aydinan]

[Text] Loyal followers of ex-president Ferdinand Marcos are set to establish a "rival provisional" government in direct challenge to President Corazon Aquino's "revolutionary" government, BUSINESS DAY learned from confidential sources. They said in separate interviews that Marcos followers will proclaim the rival government on April 17.

The rebel parliament convened by Marcos' Kilusang Bagong Lipunan (KBL) party yesterday will soon proclaim a provisional government, one source said. This source earlier talked about Marcos' plan to retreat and make his last stand in his Ilocos Homeland about one month before a popularly supported military revolt forced him out of Malacanang Palace last Feb 25.

The other BUSINESS DAY source disclosed an alleged military intelligence report of a planned Marcos loyalist's "coup d'etat." While this disclosure will involve a military takeover, it parallels with the planned "rival provisional" government, if a backstop operation is understood to accompany the rebel parliament's declaration of what would be in effect a rebel government.

Prior to the publicized convening of the rebel parliament, Marcos supporters staged rallies and set up pickets denouncing the Aquino government and extolling Marcos. They called their actions demonstration of "people's will," a counter-expression to the "people's power" which toppled Marcos and installed Mrs Aquino to power.

The other day, the Marcos supporters proclaimed Marcos' running mate in the last election, Arturo Tolentino, vice-president and declared they would recognize him as "temporary president until Marcos returns from exile in Hawaii."

Tolentino was proclaimed with Marcos winner of the February 7 poll by the now defunct Batasang Pambansa. But their opponents and independent observers judged the election as extremely fraudulent and having been manipulated by the Marcos

government. Although Tolentino failed to attend his inauguration as the former ruler was then in hasty preparations to flee Malacanang, he maintains that he is the legitimate vice-president under the 1973 Constitution.

BUSINESS DAY also learned of a flurry of meetings held during the past two weeks by a Muslim warlord who used to be powerful under the Marcos regime. The warlord has been making apparent battle preparations with bulldozers seen fitted with armor plating, the same source said. The warlord has a large cache of weapons and harbors in his camp a Marcos general and professional fighting men of Eduardo Cojuangco, he said adding that the warlord's "soldiers" were trained by Israeli experts.

This source disclosed the delivery of some 600 assault and other rifles earlier brought into the country before the election under operations directly supervised by former Armed Forces Chief of Staff Fabian Ver.

The Muslim warlord also bought thousands of canned sardines which suggests preparations for a long siege.

The Batasan abolition has been criticized not only by the KBL but also by the United Nationalist Democratic Organization (Unido) under whose banner Aquino ran for president. At first, Unido appeared ready to make common cause with the KBL in reviving the Batasan, but the revolt within Aquino's camp soon fizzled out.

The rebel Batasan capitalized on the abolition controversy and on the replacement of the elected local executives with appointees of Local Governments Minister Aquilino Pimentel.

From Hawaii, the exiled former president has been reasserting his claim to the presidency. He declared that he won the election and is the "legal" president because he was proclaimed by parliament.

He also intended to go back to the Philippines, although not in connection with his claim as president.

A "provisional government" declared by the KBL (and a break-away group led by Marcos' labor minister Blas Ople) would probably acknowledge Marcos as nominal head and Tolentino the effective leader.

In such a case the existence of two-governments, which held on [word indistinct] day when the Aquino and Marcos camps made separate proclamations on Feb 25, could again be a problem.

But this time, with Aquino government in control and with Marcos asserting claim. But if backed by stronger support other than words, the situation could yet see a power play looming.

### Editorial Urges Limits for Loyalists

HK160930 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 15 Apr 86 p 4

[Editorial: "Time To Draw the Line"]

[Text] The government should now define the perimeters within which the Marcos loyalists could operate without violating the laws of the land or widening the areas of confrontation.

Already, followers of former President Marcos are mouthing words or lines which border on the seditious and the rallies are no longer occasions to showcase the vibrancy of freedom in the country under the new dispensation.

Already, the loyalists are urging the people not to pay taxes, to take part in a nationwide campaign of civil disobedience, and there are reports that rally participants are time and again instigated to march to Malacanang, and there stage a second part of "people's revolution."

Rhetorics reminiscent of the days when Marcos was still in power are again feeding the supporters of the deposed leader with hope for the comeback to those days. Marcos is coming home, the loyalists are told, and it is easy to raise false hopes in these days of uncertainties.

The leaders of the past regime cannot share in the confusion and in this exercise in brinkmanship. By refusing to accept the realities of the times, by clinging to the slim thread of chance that they would be able to oust the new government and pave the way for the return of Mr Marcos, these leaders must share the blame for the trouble in the rallies.

And the new leadership is not also faultless. By failing to act decisively on the issues which matter most to the people, like making their economic burdens a little bit lighter or giving them a chance to be heard on the issue of who is going to govern them until local elections are held once again, the new leaders could not but exacerbate the uncertainties.

The lack of a clear, authoritative voice from the top levels of leadership, the apparent lack of direction that the government is taking, especially in the field of economics, shows how we have all failed to gain from the momentum of the people's revolution.

The new government must talk and act "presidential," and it must show to the nation that while there is always room for reconciliation, the people themselves would be the first ones to war against seditious words and actions.



### Goals of Supporters Noted

HK171621 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 17 Apr 86 p 4

[From the "Over a Cup of Coffee" column by Teodoro F. Valencia: "FM People Start Gearing Up"]

[Text] Marcos loyalists have only started to rally and speak out to be heard but the government is already alarmed. When the government people today were rallying for more than two years, there was no talk about their overthrowing the government. They were able to do their thing with zest and celebration. I think some people are not used to being on the receiving end. They had better get used to this or else we're in big trouble.

People with "loyalist" sentiments are not necessarily people who love ex-President Marcos. They're only using that as an excuse for expressing their disappointment with the Aquino government. That was the same thing not too long ago when disgruntled KBLs, ambitious politicians, and genuine Ninoy mourners got together to demonstrate and rally against the Marcos regime.

On one score, Defense Minister Juan Ponce Enrile is right--that the radicals and the communists want to overthrow the government. These radicals want to overthrow the Aquino government as much as they wanted to overthrow the Marcos government. The Marcoses and the Aquinos are in a class insofar as the communists are concerned. If the Aquino people don't know this, they must be suffering from intellectual myopia.

Vice-President Salvador H. Laurel said that the military could take over the government if it were to fail. He only articulated what so many people have been talking about, not in whispers but with the aura of wisdom. Freely translated, Laurel is saying that the job of running the government should be shared by the PDP-Laban [Pilipino Democratic Party-Lakas ng Bayan] with the Unido [United Nationalist Democratic Organization] or else the government could fail and both parties would be losers.

They say that there will be general elections in November. That's too late for local polls. If the government wants peace, nationwide, the cure is one of two things--local elections in July or a stop to this nasty business of disturbing the peace in every town, city and province by forcing officers-in-charge down the throats of the people. The plebiscite and the election of lawmakers can wait even for next year.

People in the government should welcome the demonstrations being staged by the "loyalists." They should be allowed to express their deep disappointment about the utter lack of hope for those who supported the anti-Marcos campaign in hopes of immediate relief as promised them. The thing to do is study the real composition of the "loyalists." They are not all loyalists. Many of them demonstrated against the Marcos government. Many of them will demonstrate against any democratic government.

No administration within memory did as thorough a change of officials, career people and casuals as this one. The victims of the vendetta cut through the entire strata of our society, sparing no one who was even remotely within the influence of the past administration. The seeds of hate have been planted. They will reap the fruits later, if not sooner. The "loyalist" demos for Marcos only show the initial stages of what we can expect. Filipinos accept revenge but don't necessarily kneel to be decapitated. Some of them fight back as soon as they can.

The new People's Army now counts on 16,000 regulars, of which 11,200 are armed. Brig. Gen. Eduardo Ermita, who gave these figures, also said that this is 4,000 more than the number admitted by the Marcos administration. These are scattered in 47 guerrilla fronts, influencing 17 percent of the 41,615 barangays nationwide. The NPA used to fight in platoon strength but now, they attack in company strength.

#### Armed Forces Official Views Loyalists

HK180823 Quezon City DZFM Radio in English 0800 GMT 18 Apr 86

[Text] Brigadier General Salvador Mison, armed forces vice chief of staff [words indistinct] Marcos is not remote. He said that if that happens, there will be a civil war.

Interviewed by newsmen in Legazpi City, Mison believes that the deposed president still enjoys a number of followers since they also benefitted from his 20-year regime. At the same time, he did not discount the possibility that some Marcos loyalists still exist in the armed forces. He said military values are now incorporated in the movement mamamayan [citizens] which now emphasizes reconciliation, security, and development.

#### Marcos 'Couriers' Arrested

HK220741 Manila THE NEWS WORLD in English 20 Apr 86 pp 1, 6

[Text] Two German nationals were arrested Friday night by a task force of the Commission on Good Government after being tagged as couriers of deposed President Marcos who brought in money for the loyalist movement.

A sketchy report from the commission said the two are now being held in a safehouse of the military somewhere in Metro Manila.

The two were initially identified as Olive Oehcke and Peter Kooper Hoeper. They were reportedly apprehended as they were about to board a plane for Hawaii.

The two alleged couriers, it was learned, had also brought in some unspecified equipment when they arrived in the country.

The task force which apprehended them is headed by Col. Romeo Cruz.

According to a staffmember of Minister Jovito R. Salonga, head of the commission, the task force handles "difficult jobs" for the commission in cooperation with the military.

It was also reported that Cruz had asked police reporters who knew of the story not to print it because it is "very sensitive."

Only one of the two Germans, it was reported, could speak English and he told the task force members that they had been here for three days before they were apprehended at the MIA. The two were placed under surveillance on a tip from intelligence. Colonel Cruz himself befriended the two foreigners when he spotted them at the Manila Hotel the day before they planned to leave.

The task force also learned that of the pieces of baggage brought in by the two, believed to contain money and equipment, several were missing. The task force is now tracing the cash and equipment.

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CSO: 4200/937

REPORTAGE ON REACTION TO TOLENTINO'S 'NEW OPPOSITION'

Writer Criticizes Tolentino

HK170629 Quezon City BUSINESS DAY in English 16 Apr 86 p 4

["My Cup of Tea" Column by Ninez Cacho-Olivares: "All This too, Shall Pass Away"]

[Text] Former Manila assemblyman Arturo Tolentino who Blas Ople says is the "new symbol and chieftain of all opposition movements in the country" has branded the Aquino government an illegal government, one installed by force and hence, unconstitutional. Since he swears by the 1973 constitution, it can be concluded that he neither recognizes nor accepts the Aquino government. It is Ferdinand Marcos he recognizes and accepts as president. It is Arturo Tolentino he recognizes as vice-president.

Mr Marcos is in exile, with reported plans of setting up a second-hand shoe store. It is not known whether the "constitutional" President-in-exile will hire Mr Tolentino as his shoe salesman or whether he will appoint Mr Tolentino vice-president in charge of shoe buckles and bows. At the moment, Mr Tolentino who has not taken his oath of office, seems to think that he is the republic's acting president. He can always dream, can't he?

But is he the new symbol of the opposition movements? From reports, the negligible Marcos loyalists who were at the Asian Institute of Tourism were still chanting "Marcos parin." The new opposition symbol can't even get the Marcos loyalists to root for him? How then does he expect people to heed his call?

Mr Tolentino has reportedly urged the people to resort to civil disobedience to bring back constitutional government. He does not think that the people have accepted this "unlawful" Aquino government. Said he: "That the people of the Philippines have accepted this unlawful government is a figment of the imagination. The silent majority may be quietly resigned or passive to what happened so fast, but resignation is not acceptance of a situation." I take the contrary view. When one is resigned to the situation, one must necessarily surrender, and in surrendering, one necessarily accepts the situation.

But no matter. The former Manila assemblyman claimed that the silent majority has started to raise its voice in protest. This majority, Mr Tolentino said, is against the establishment of a dictatorship, clamoring for the return of constitutionalism and democracy. I presume Mr Tolentino and his negligible minority think that during the 14 years of strongman rule, the people of the Philippines enjoyed the blessings of democracy under the 1973 Constitution, which was not validly ratified.

The way I read it, there are only a few who are clamoring for a return of the Marcos dictatorship, but their voices are being magnified a hundredfold in the media, giving the false impression that the "new opposition" is alive and kicking and capable of destabilizing the Aquino government through acts of civil disobedience.

Can acts of civil disobedience called for by the "new symbol of the opposition" succeed in toppling the Aquino government?

I doubt it. Not even a call for a boycott of banks and the media would succeed. What would compel people to withdraw their money from the banks? It was easier for Mrs Aquino to call for a withdrawal of support from certain crony banks since she had the support of the business community. It was fairly easy for big business establishments to transfer their funds from one bank to the other. Can Mr Tolentino and the Marcos loyalists expect the same support from the business community?

Will Filipinos give up San Miguel Beer, Coca-Cola and Magnolia products for Mr Marcos and Mr Tolentino? Will the so-called silent majority heed a call to boycott newspapers, like say, the PHILIPPINE DAILY INQUIRER, MALAYA, VERITAS, THE MANILA TIMES and MR AND MS.?

When Mrs Aquino sounded that crony media boycott call, it was easy enough for consumers to support that call. The pro-Marcos newspapers were hardly giving Mrs Aquino any media space. The people were hungry for news and they knew they were getting slanted reports from the crony press. What reason can Mr Tolentino possibly give the people to justify a media boycott? He and the KBL assemblymen get the widest media coverage, even in those newspapers.

Can he, the "new opposition chieftain" succeed in convincing the people not to pay their taxes to the Aquino government? Under the gross income taxation scheme, tax payments are immediately deducted from paychecks. An individual who refuses to pay taxes cannot just demand that his employer stop deducting tax payments from his paycheck. To make this act of civil disobedience successful, the support of the business community and the captains of industry is essential. Can Mr Tolentino and the Marcos loyalists count on that support?

Can Mr Tolentino convince foreign governments not to recognize or deal with the Aquino government? Can he even convince the world that Mrs Aquino is a dictator or even convince 54 million Filipinos that Mr Marcos should be made to return to the country and lead the Filipino people?



Civil disobedience will simply not work at this time, not when there are no repressive actions emanating from government. The conditions do not call for it. Mrs Aquino continues to enjoy tremendous popular support, and as long as she has that popular people support, her government will remain in place.

Mr Tolentino, together with the negligible Marcos loyalists, can always stage demonstrations and raise their voices in protest against the Aquino government, but they will hardly be supported by the millions of Filipinos who are done with the Marcos dictatorship. But in time, when the new constitution is in place, when local and national elections are called, all these, including Mr Tolentino, will be forgotten by the Filipino people and the media.

#### Columnist Views 'Emerging Opposition'

HK170931 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 16 Apr 86 p 4

["Over a Cup of Coffee" column by Teodoro F. Valencia: "A Dose of Its Own Medicine"]

[Excerpts] Arturo M. Tolentino, new leader of the opposition, labelled the Aquino administration as an "absolute dictatorship" that is illegal and unconstitutional. The "Freedom Constitution" proclaimed by President Aquino, according to Tolentino, is a constitution framed by one person against the 1973 and 1935 Constitutions that were framed by constituent bodies and ratified by the entire Filipino people.

The emerging opposition, backed by KBL MPs and other Marcos partisans and a groundswell of loyalists, will give the administration of President Aquino a dose of its own medicine--the civil disobedience started by the opposition against President Marcos. The instruction of President Aquino to the Capcom [Capital Regional Command] is to use "maximum tolerance" in dealing with demonstrators of the pre-Marcos people. We're witnessing a re-run of the same movie.

In tennis language, it is "change court." Let us see who does his role better. Let's see how much patience the Aquino government has and how much civil disobedience the KBL can harness.

Tolentino towers over the Aquino intellectuals. Who among the Aquino cabinet members can hold his own in a one-on-one debate with Tolentino? Is he Minister Pimentel who says Tolentino belongs to a mental institution?

As the saying goes, "Sincerity is subject to proof." Claims of the administration to virtue and honesty in the handling of government funds and power will depend on performance. No amount of press release will do. Only performance that the people will feel will register.

What must be alarming to the Aquino people, even if they will not admit it, is the way the former KBL MPs were able to muster a quorum. I think the mass



demonstrations of the "Marcos loyalists" did it. The former Marcos boys of the KBL majority could not stomach the thought that they're not ready to make an equal sacrifice that the lesser Marcos Loyalists are making. They also found out that they'll hang separately if they don't move together and show that they're not afraid.

They tell us that U.S. Undersecretary of State Michael Armacost is due in Manila today or tomorrow. His coming is shrouded in mystery--obviously, to orchestrate the new script on what to expect next in the Philippines. Armacost will meet with the Aquino people and with the KBL leaders, too. No wonder American media correspondents have started arriving in groups again. What's up, boys? We Filipinos will be the last to know. We are only the chips, not the players.

If anything is happening to make businessmen happy or the poor and hungry unemployed lift their hopes, we certainly want to be told. We can't eat hate. Nor can we cheer seeing the way the partisans or pseudo-partisans are carting away their pieces of the cake of political victory.

Spotlighting the sins of the Marcoses does not condone the abuses of the present administration. The average citizen is not consoled by the litany of Marcos' sins detailed in our media day after day if they find no hope that their misery will soon be over. For many, unemployment was the reward instead of the promotions they had hoped to get for having supported the Aquino candidacy.

Speaking of news control, the newspapers did their own self-censorship in reporting the size of the pro-Marcos demo at Razal park last Sunday. Some papers said the crowd was 10,000. Others went out of bounds to say there were 1,200,000 and still others said there were a "handful." Only Channel 4-TV, the government station, showed the real size of the crowd, at the very least, 100,000. The former KBL MPs formed a committee to plead for press objectivity. They won't get that!

Aquino loyalists keep harping on "people's power," repeating and repeating what 1,500,000 people did to grab power away from Marcos. The Marcos loyalists, who kept out of the picture all through those days of turmoil, are starting to wake up. They are ready to assert "people power" in the approved manner. What if they can muster 2 million in one show of force, or even 3 million? What will that mean? The bigger the mob, the greater the cause?

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CSO: 4200/937

COLUMNIST SEES GOVERNMENT SUPPORT 'DWINDLING'

HK170853 Manila THE MANILA EVENING POST in English 15 Apr 86 p 4

[From the "passing through" column by Emilio H. Serrano: "How Popular Is 'Popular'"]

[Text] Will this new government please define clearly for the benefit of sharp minds and thick skulls alike what they mean by "popular support" when they describe the Aquino government? The yellowers like to say this administration has the support of the people. The new president was installed in Malacanang through popular support. The abolition of the Batasan is popular. The proclamation of a revolutionary government is supported by the people's will.

The questions are: How popular is popular among the 54 million Filipinos? How many Filipinos were there on EDSA [Epifanio de Los Santos Avenue] during the February power-grab? If the "silent majority" were to suddenly gather on EDSA one of these days and fill it up with three million Filipinos, or say ten million Filipinos, will we have a new Malacanang inhabitant?

The point is, the new apologists of this new dispensation must defend their government better.

Was the demonstration of that partisan crowd gathered by Cardinal Sin on EDSA a better substitute for an election win to declare "popular support?"

With all the powers of the executive, legislative, and judicial branches of the government now concentrated in the hands of the Palace, why oh why oh why can't we order the ballot boxes at the Batasang Pambansa opened in public? Also, today, an impartial investigation of the claim of "massive poll frauds" committed against Mrs Aquino in the last elections can now be conducted. Why don't we do it to lay to rest all doubts about who won on February 7?

The "popular support" of Feb. 22-23 was really the "hakot [rounded up] crowd" of Cardinal Jimmy's priests and nuns, and the noisy votaries of the yellow cause. This brand-new government is beginning to wobble at the knees so that even Secretary Caspar Weinberger has expressed anxiety about its instability.

... the shoe is on the other foot. Another kind of "people [words  
institutional] is emerging in Metro Manila and in some towns, cities, and provinces  
The surprise is that this  
is occurring after only 48 days of Cory. Local and foreign supporters and  
adapters of this new government are seeing the day-by-day snowballing opposition,  
consolidating pro-Marcos citizens and the just-disenchanted.

The prevailing truth is that the "popular support" is not growing but dwindling  
being whittled away by all the vengeful acts of the swashbucklers who composed  
the command of the army of "national reconciliation" and went about reconcilia-  
tion by debasing the batasan, decapitating all elective KBLs in local  
... and the layoffs of thousand upon thousands of civil service

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## PAPER DISPARAGES AQUINO'S 'UNLIMITED POWERS'

HK170539 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 16 Apr 86 p 5

[Text] The Republic of the Philippines may as well be registered Cory and Co. Unlimited since this country is run by Cory and Company with unlimited powers. While Cory Aquino herself does not strike us as someone who revels in dictatorial powers, the same cannot be said of vested interest groups around her. Instead of 15 to 20 cronies during the Marcos regime, we are now down to one super crony who controls all the money pots in a much larger scale than even the Romualdezes were known to do it. During the Marcos regime, there were many power blocs involved in money-making activities with many bigwigs parceling out the goodies. Today there is only one person doing these both in parceling out concessions as well as government posts in both the bureaucracy and local governments.

Danding Cojuangco, known as a Marcos crony, did not involve himself in the appointments in government nor the casino funds, the ports, etc. Today all these goodies are reposed in the hands of only one person. Mrs Gretchen Cojuangco, wife of Danding, did not involve herself in influence-peddling by having a coterie of "tao" that she recommended for anything. Such delicadeza is not observed in all branches of the Cojuangco family however, and the noisier, more sanctimonious branch of their family is the most guilty of such abridgement of delicadeza. Note that Marcos loyalists are condemned wholesale by the holy new powers while certain figures who were direct beneficiaries of Marcos are able to escape censure. If we examine how this is so, we will find out that it is no crime to have sunk the ship of Marcos with your greed, so long as you have a friend in the person of Cory relative, so much for integrity.

If we follow the line of argument of Cory's crony press, then there should be no opposition to Cory and Co. Because it [is] not capable of doing anything wrong. This is the underlying argument against any effort of any opposition group to fiscalize this regime of unlimited powers. If there are no courts where justice can be meted out regardless of whether this favors or does not favor this regime, then where should the people go? Since the Cory crony press contends that Marcos had a far more repressive regime with arrests and others, we must give Cory the full confidence with which to decide all by herself. We know without any reservations that her centralized decentralized form of government, where she must take responsibility for decisions which she assigns with such confidence to the people around her, cannot be considered full proof, based on the proliferation of fools Cory has added to her company.

Whereas Minister Enrile immediately ordered the arrest of military officers reported to have been freeloaders and abusers in night spots, there is only silence and justifications about early abuses committed by civiliar authority, in particular the shrimp-turned-goon Binay, OIC [office in charge] of Makati. More justifications follow breaches of delicadeza as in the case of Ongpin, et al. The bottom line is that the situations of the new appointees do not inspire our people to put in their hands the limitless powers of a dictatorship.

This is the overriding reason why the KBL and other parties must forever be on the watch to safeguard our people from said abuse and mediocrity. The KBL must harness its support and machinery and prepare for the showdown which is any coming elections. If the KBL wins in said elections, despite the new powers' control of the Comelec and others then it will have no business allowing the noisy and disgruntled among them to insist that they won.

A strong two-party system is important in a democracy. Yet by the sound and looks of it, this administration does not welcome nor tolerate such opposition which may be irrelevant in a perfect regime, a regime without the likes of the Peralta murder existing. If it were a Cory follower assassinated under Marcos, the then opposition would not have hesitated to brand the killing as Marcos instigated. Any claims of NPA involvement would be poohpoohed. Today the very same thing happens and no whisper of responsibility is adjudged to the new powers, even in the region. The lack of outrage from nuns, priests, lawyers and other human rights groups is truly galling. It is clear that justice for abuses of human rights is clearly partisan in this regime, reserved only for its followers. It should then declare this a Republic of Cory and Company and not of the Filipino people. They must provide justice for Peralta and family before many more goons in their ranks are encouraged to kill off people with impunity. Cory and Co. must remember that if their revolution succeeded it is because there was no fight. They must not provoke their opponents to put up a fight.

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CSO: 4200/937

EDITORIAL URGES AQUINO TO HALT EXCESSES

HK220634 Manila THE NEW PHILIPPINES SUNDAY EXPRESS in English 20 Apr 86 p 4

[Editorial: "Not Unlike Mr Marcos"]

[Text] The warning issued earlier this week by Col. Rodolfo Biazon, Philippine Military Academy [PMA] superintendent, should not just be shrugged off by the bright boys of the Aquino government.

We presume that the PMA official neither has an axe to grind nor a political ambition to nurture, and we presume further that he was motivated by nothing but his concern for country and people. Hence, Biazon's statements should be accepted at face value, and examined by unbiased eyes.

Basically, the PMA superintendent said that President Aquino should not lose the momentum of the "people's power" revolution. Hence, the [word indistinct] of her government should be top priority. Next, the President should take note: the very excesses which led to the downfall of her predecessor are now evident. Therefore, for the sake of the people who brought her to power, Mrs Aquino should move fast to excise those excesses before it is too late.

It is also most auspicious that Biazon's warning should be followed by former MP Homobono Adaza's equally candid advice to the new government. The country needs "corrective measures" immediately, Adaza said, pointing to the "destabilizing effects" of the abolition of the Batasan and the "indiscriminate" replacement of local officials.

Clearly, everybody knows that the government is an all-powerful government, which, however, is trying to legitimize itself. However, the route that the government is taking to reach its objective is pockmarked with questionable decisions. And what bugs the observer is that nobody in the top levels of the Aquino leadership is listening to the criticisms, aired in all candor and honesty. Instead, these are either dismissed as "supercilious" or labeled as the workings of a mind that recalls the institution in Mandaluyong.

Biazon and Adaza have raised relevant issues, and they should be discussed as such.

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COLUMNIST ASSESSES WEINBERGER VISIT, CEASEFIRE

HK180007 Quezon City ANG PAHAYAGANG MALAYA in English 11 Apr 86 p 4

[Column by Renato Constantino: "Weinberger and Ceasefire"]

[Text] One of the most persistent demands of the United States on Marcos was the "professionalization" of the armed forces so that it could launch an effective counter-insurgency campaign. That objective has not changed. In fact, from all indications, the American expectation is that it will be realized under the Aquino administration.

On his arrival, Defense Secretary Weinberger said that "the U.S. Government is ready to help the government of President Aquino to modernize the armed forces" in view of what he called the "very serious" communist insurgency. While he said that Washington would probably give more economic than military aid, he emphasized that "economic aid can be of very little use" unless the government attains stability. Stability for a hawk like Weinberger can be attained only through a military solution to the insurgency problem.

Weinberger's visit puts into focus the President's call for a ceasefire and the Philippine military's response to it. The ceasefire was one of Mrs. Aquino's campaign promises. It was her idea of defusing the situation which would hopefully lead to negotiations for an end to the insurgency. Part of the plan, apparently, was to offer the NPA a place in a society which would not only respond better to their economic needs but would also allow them to air their views freely. In short, reconciliation and unity through political pluralism.

The U.S. view appears to coincide with that of the AFP brass. Already, the Vice Chief of Staff has declared his opposition to the diminution of the size of the Armed Forces. As for the U.S. Weinberger's pledge for continuing military assistance is for the "strengthening" of the Armed Forces "under Defense Minister Enrile and General Ramos." General Ramos has said that local commanders could negotiate a ceasefire in their areas if warranted but he also recently ordered a red alert nationwide.

There are signs of movements of military units to the Bicol area. According to defense reporters, the Metro Brigade under the Second Infantry Division in Tanay is involved in such a troop movement. Under Marcos, the Metro Brigade was a

tactical force intended primarily for the security of Malacanang within the city perimeter. Its troops used to serve as security in casinos, government installations in Manila, and as escort security for the Marcos children. It also served as back-up security for the Presidential Security Command. Now that its services are no longer necessary for the protection of Malacanang, its movement to the provinces suggests that this force will undertake major insurgency operations.

Ceasefire talks are still up in the air. In her ASIaweek interview (April 13, 1986), President Aquino revealed that "Nothing is on an official basis." According to her, she has simply allowed persons who have told her that they have received feelers, to talk with the rebels. The tentative, unofficial nature of this approach cannot be the basis for a nationwide ceasefire. Neither can General Ramos' off-hand authorization to local commanders to negotiate ceasefires piecemeal have much hope of success. As for the U.S. offer of millions of dollars to strengthen and modernize the armed forces, it can only have the effect of further undermining the possibility of a ceasefire.

The aforementioned pre-election outlook on the insurgency which carried substantial promise of achieving the longed-for peace among Filipinos seems to have been sidelined. In her ASIaweek interview, the president speaks only of attracting surrenderees through a "program of rehabilitation" but sadly admits that there are no funds for this unless the World Bank helps.

It is doubtful that a rehabilitation plan alone can solve the insurgency problem. Though admittedly strong motives, more than poverty and the Marcos regime's repression fueled rebellion. Aside from their immediate concerns such as the dismantling of warlords' armies and fundamental reforms within the military, the rebels, speaking through the National Democratic Front, have put forward such political demands as the dismantling of the U.S. bases, a stand against U.S. imperialism and foreign control of the Philippine economy. Obviously, President Aquino will not accede to all these demands. On the other hand, some accommodation is called for if the government wants to pursue the idea of peace and reconciliation.

According to Presidential Spokesman, Rene Saguisag, Mrs. Aquino is more interested in immediate massive economic rather than military assistance, and Weinberger insists she must have both because stability is a precondition for economic aid.

With the Aquino government depending on economic assistance from the United States and with her economic advisers negotiating with the IMF under the aid program, Weinberger's preconditions may prevail. Then we shall see the implementation of an economic program designed by the same external forces that were (and indistinct) during Marcos' time and a satisfied military that will be the beneficiary of American military assistance. Mrs. Aquino may therefore count on her recovery program leaving the army total control of the insurgency problem.

Her reply to the ASIaweek interview's inquiry if General Ramos has been guided upon her advice was: "Well, he knows the insurgency and he knows the military problems better than I do, given all his resources." The answer was polite, but not very reassuring.

EDITORIAL VIEWS U.S. RATIONALE ON BASES

HK170455 Manila THE MANILA EVENING POST in English 15 Apr 86 p 4

[Editorial: "U.S. Bases and Regional Security"]

[Text] Barely more than a month after assuming office, the Cory government is already getting strong signals from Washington on the disposition of the U.S. military facilities after 1991. With the visit of U.S. Defense Secretary Caspar Weinberger and the forthcoming visit of Secretary of State George Shultz, and perhaps President Reagan himself, there is no doubt that the retention of the two military facilities here heads the agenda.

Coming out of Washington is a news item stating that the U.S. Government expects to maintain access to a pair of U.S. military "bases" in the Philippines even after the current lease agreement runs out in 1991. This early, it is apparent that the pressure is already being applied, however subtle.

Based on the current American strategic assessment, the U.S. defense people have concluded that these facilities cannot be replaced. There is just no other place in the world where they can be relocated that would provide a credible defense site for the Americans. Not in the Marianas, not in Palau, nor even Japan or Australia.

Yet it is interesting to note that American Government spokesmen are putting the burden of need on the Philippines. For instance, they always mention the so-called strong support among the Filipinos for American presence. They also raise the idea that the facilities are a source of employment and foreign currency. The U.S. Navy Secretary has even gone to the extent of expressing his confidence that the Filipinos will "see their self-interest in maintaining the bases."

How condescending is the rationale given by the American Government spokesmen! Now it is the Philippines which is in dire need of the "bases" for security and economic support. American security is only secondary.

If anything, the new government is actually getting an early gentle warning from Washington which, if allowed to happen, may end up in delivering the country to perpetual American presence.

It is imperative that the new government should already prepare itself against stronger diplomatic and economic pressure. Thorough and exhaustive studies on the "bases" issue and the Mutual Defense agreement must be made. And in a year or two, it is expected that there should be a definite position on these two all important defense and security agreements. The time to begin is now.

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EDITORIAL QUESTIONS AGREEMENT ON U.S. BASES WORKERS

HK160928 Manila THE NEWS HERALD in English 15 Apr 86 p 4

[Editorial: "Stirring Tempest in Bases Teacup"]

[Text] Is Uncle Sam an Indian-giver?

The 20,000-strong labor unions that struck at the U.S. military bases late last month lifted their pickets after American officials granted a number of their demands.

One of those demands was that the workers would be considered on "leave without pay" and not "absent without leave" (AWOL) during the strike period.

That matter was cleared reportedly at the meeting last April 1 at the Army and Navy Club in Manila of the Joint Labor Committee headed by U.S. Labor Attache James Murphy for the American panel and Labor Deputy Minister Conrado Noriel for the Philippine side.

It appears now that Cmdr Thomas McCall, who headed the American panel in the negotiations with the striking Federation of Filipino Civilian Employees Association (FCEA) was not party to the agreement forged at that April 1 meeting or was not aware of all the points agreed on by the American and Philippine panels. He has been quoted as saying that he did not know the U.S. Government had agreed to the on "leave without pay" status for the FCEA workers.

If the good commander was quoted correctly, shall we divine from his words the implication that the Manila accord between U.S. and Philippine labor officials is not binding on the U.S. military bases authorities?

The Filipinos labor federation leaders say that the U.S. Panel's commitment to consider the striking workers on "leave without pay" was one reason they ended the widespread strike. They got their other demands but not the severance pay which the bases authorities described as onerous because the federation wanted it applied even to those voluntarily resigning their jobs.

The federation understood the agreement hammered out at the Manila negotiations constituted a commitment from the U.S. and Philippine governments.

Now comes this American military representative stirring the tempest in the bases teapot with his virtual rejection of the labor dispute solution reached by the U.S. and Philippine officials.

His statement is made more disturbing by the news that 2,000 Guam workers have been moved into the bases here.

Is Uncle Sam getting ready to renege on his commitment to the Filipino bases workers?

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## PHILIPPINES

### COLUMNIST VIEWS U.S., MULTINATIONAL ROLE IN POVERTY

HK180025 Quezon City ANG PAHAYAGANG MALAYA in English 7 Apr 86 p 4

[Column by Renato Constantino: "Beyond the Hidden Wealth"--passage within slantlines italicized]

[Text] Daily news reports on the Marcos billions have become the current entertainment fare of many Filipinos. Fascination with the ever-growing inventory of loot has succeeded in diverting the country's attention from the real causes that made such unprecedented plunder possible. It has also succeeded in creating the impression that our present crisis and heavy debt burden are due solely to the excesses and corruption committed by the Marcos regime.

In the flurry of exposes, the United States and other external agencies seem to have escaped condemnation for their share in bringing about the crisis and the perversions emanating from foreign-inspired policies. Instead, there is grateful acknowledgement of the role of the U.S. in deposing the dictator.

Forgotten is the fact that Marcos' imposition of martial law was done with the knowledge and blessing of Washington. The conclusion of the 1973 U.S. Senate Committee on Foreign Relations Report on the Philippines attests to this:

We found few, if any Americans who took the position that the demise of individual rights and democratic institutions would adversely affect U.S. institutions. In the first place these democratic institutions were considered to be severely deficient. In the second place whatever U.S. interests were--or are--they apparently are not thought to be related to the preservation of democratic processes ... U.S. officials appear prepared to accept that the strengthening of presidential authority will ... enable President Marcos to introduce needed stability, /that these objectives are in our interest and that military bases and a familiar government in the Philippines are more important than the preservation of democratic institutions,/ which were imperfect at best. (underscoring supplied)

With this benediction, Marcos concentrated power in his hands enabling him and his cohorts to plunder the country systematically. In return for American support, Marcos promulgated decrees and issued letters of instruction that

shaped our economy to serve foreign interests. Trade policies were liberalized, causing a virtually unrestricted influx of First World goods. Loans for developmental programs were foisted on us by the IMF-World Bank that only plunged us deeper into debt. For example, the Masagana 99 program prohibited the use of locally sourced pesticides and Public Law 280 requires us to avail ourselves of rice loans even when we were harvesting enough rice for our needs. Other loans were used almost wholly for imports. As a result, our resources were drained by our foreign partners in the name of "development" and "progress."

The Marcos clique took advantage of the loans offered and the "aid" granted by the United States. The temptation of huge loans was so great that graft became widespread. It was this unholy triad: the requirements of foreign investment, the desire of transnational banks to give loans, and the greed of Marcos and his men for new sources of graft that shaped the country's economy during the Marcos years and bankrupted it.

In her welcome address to the first batch of visitors to Malacanang from the depressed areas, President Aquino said:

By seeing for yourselves the lavish furnishings in the Palace you will be able to understand why the government is in such a predicament at present. Perhaps your visit today will help you understand what happened to our country because our former leaders did not care.

Of course, it was hardly the occasion for an analytical treatise. Still and all it was a simplistic explanation of our problems. It is hoped that in future the President will explain to her supporters that there are more basic causes of the present crisis than the Marcos plunder.

In her election campaign President Aquino vowed to put the interests of the Filipino people above all else. Now that she is at the helm, will she chart a new course for the country and embark on a journey towards a truly self-reliant and independent economy? The announced adoption of the IMF blueprint for national economic recovery, with some minor adjustments, the appointment and re-appointment of certain individuals to oversee the implementation of the program is not a hopeful sign.

If so, then what we are witnessing is simply a skillful orchestration of events to condition the people to place the blame squarely and solely on the shoulders of the ousted dictator while at the same time disguising the continuation of the very same economic framework of the former puppet.

The people must look at the deeper causative factors that made the hidden wealth possible and recognize that there are other literally "hidden" wealths--the profits of foreign corporations and the interests we have been paying to foreign banks. The trouble is that only the Marcos type of hidden wealth is regarded as evil while the other one is not.

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GOVERNMENT TO REFUSE WORLD BANK \$100 MILLION FERTILIZER LOAN

HK220739 Quezon City BUSINESS DAY in English 21 Apr 86 p 10

[By Michael D. Marasigan]

[Text] The fertilizer industry will no longer avail itself of the \$100 million remaining in the \$150-million farm inputs loan from the World Bank which was made available beginning late 1984, agriculture officials said.

Agriculture and Food Deputy Minister Carlos Dominquez told BUSINESS DAY that the Fertilizer and Pesticide Authority (FPA) has already telexed the World Bank informing it that the scheduled tender on April 25 for 107,000 metric tons of urea and 40,000 metric tons of ammosul will be postponed.

The scheduled tender which will be financed by approximately \$14 million from the World Bank loan has been reset by the FPA to May 26 and has been reduced to only 37,000 metric tons of urea and 20,000 metric tons of ammosul.

The rescheduling of the tender and the reduction in the volume to be financed by the World Bank facility resulted from the request of fertilizer importers for the government to fully liberalize fertilizer trading.

"We want to import our fertilizers using our own commercial (bank) facilities and we want to look for our own sources of fertilizers," an industry source said.

According to agriculture officials, the importers do not want to be burdened with the conditions imposed under the World Bank loan which carries an effective interest rate of 26.5 percent once relent to importers.

Sources said importers are now confident that they can obtain dollars from commercial banks and at the much lower rate of only 21 percent. Fertilizer imports financed by the World Bank facility also come mostly from the United States.

With the fertilizer coming from the United States, importers incur higher freight costs. But if they can source their imports from nearby Asian countries, they will be able to cut their transportation costs.

Agriculture and Food Minister Ramon Mitra last Friday told a group of farmers that "we are not going to avail of the World Bank loan for fertilizer imports so we could lower the cost of fertilizer."

He explained that fertilizer financed by the World Bank facility cost \$10 per metric tons higher than fertilizer imported through normal commercial channels.

Although the tender scheduled for this Friday has been postponed, a canvass for 10,000 metric tons of urea including an additional 30,000 metric tons in option will still be conducted by the FPA on that day.

The prices to be obtained during the canvas will be used in setting the price for the May 26 tender while the additional option will be valid up to May 27 after the tender prices are obtained on May 26.

The canvas, according to the FPA, is almost like a tender and if prices are right the importers will finance their importation using commercial facilities. The industry expects a price of \$105 per metric ton.

The postponement and reduction in the volume of the April 25 tender would mean that availments of the World Bank loan will be reduced. The facility is scheduled to expire by the end of this year.

The lower volume of 37,000 metric tons of urea and 20,000 metric tons of ammoniac will only cover the importation of fertilizer firms which are not in the position to finance their own importation, the FPA said.

About 70 percent of the importers are now capable of financing their imports, industry sources claimed. They also cited that using commercial facilities could enable importers to renegotiate with the suppliers if the prices of fertilizer change after the tender.

On the other hand, by using the World Bank facility, prices are pegged, (which means that the importers are committed to the price agreed upon after the tender) and cannot be changed even if prices fluctuate from the time of the tender up to the time of the delivery.

Originally, the World Bank loan was supposed to have financed the importation of other farm inputs such as pesticides, farm machinery and equipment. A \$50-million portion was even earmarked for the importation of soybeans by the National Food Authority (NFA).

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## PHILIPPINES

### ASIAN DEVELOPMENT BANK TO REVIEW PHILIPPINES PROGRAM

HK220925 Quezon City BUSINESS DAY in English 21 Apr 86 p 3

[Text] The Asian Development Bank (ADB) will review its overall program for the Philippines so it would jibe with the new government's priorities, according to the ADB's 1985 annual report released yesterday.

"With the advent of the new government in February 1986, there will be a need to reassess the bank's operational strategy in the Philippines in line with the new government's plans and priorities," the ADB said. The report said a "country project review mission" is scheduled to meet with senior government officials in early 1986. This type of country review is usually undertaken by the bank when a comprehensive assessment of programs in a particular member-country is done with the view of changing its loan thrusts in that country.

Data in the ADB report showed that the Philippines had the worst economic performance last year among the bank's member-countries, posting a decline in gross domestic product of 3.7 percent (worse than Singapore's 1.8 percent GDP drop and Fiji's 1.7 percent decline) and an inflation rate of 20.7 percent (higher than Bangladesh's 11.8 percent).

According to the ADB report, it approved no new loans for the Philippines in 1985. This was due "to a continuing severe shortage of counterpart funds and consequent slowdown in the implementation and loan disbursements for nearly all of the bank's ongoing projects in the country." Disbursements of loans approved before 1985 amounted to only \$112 million last year, from the \$172.3 million level in 1984.

While total loans approved by the ADB to the Philippines amounted to \$2,112 million (for 76 projects) as of end-1985, only \$1,104.2 million has been actually released with seven more loans closed last year. The report indicated that "possible loan cancellations" were determined last year to relieve the government of unnecessary loan commitment charges.

The ADB outlook for the economies of its developing member-countries (DMCS) for this year does not appear optimistic, with the report pointing out that "the outlook for 1986 for the [word indistinct] economy suggests, in broad terms, a continuation of trends in 1985."

"If the expected modest improvement in the world economy is to have a beneficial impact on the bank's DMCS, it would need to be translated into an expansion of international trading opportunities. The recent decline in prices will ease the pressure on the balance of payments of oil importing DMCS, but constrain investment and growth in oil exporting DMCS. Even for the former, the favorable impact of lower oil prices could be offset by lower exports and invisible receipts, such as workers' remittances, if the international purchasing power of oil surplus countries were to deteriorate further."

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## PHILIPPINES

### DEVELOPMENT PLANS TO FOCUS ON AGRICULTURE

052200Z Manila MANILA BULLETIN in English 21 Apr 86 p 17

[By Eliseo P. Samaniego]

[Manila] The new medium- and long-term development plans being drafted by the National Economic and Development Authority (NEDA) in consultation with the private sector will focus on major structural changes in the government's agricultural policies.

Philippine Chamber of Commerce and Industry (PCCI) economic policy committee chairman Ricardo Angara specifically pointed to removing disincentives in agriculture to further generate employment particularly in the countryside.

He said that the formulation of the new development plans would be heavily liberal on budget unlike in the past where there's too much "politics" involved.

He said many of the targets set under the previous administration were not achieved because of the lack of political will on the part of the government to implement these.

The new economic development plans, which the NEDA is currently working on in consultation with the private sector, are expected to be finalized for approval by President Corason Aquino this June.

NEDA vice-chair general Solita C. Monsod indicated that one of the major concerns which the new development plans will address itself to is the problem of mass poverty, unemployment and underemployment that afflicts three-fourths of the country's population.

Monsod, in a speech before the just-concluded seventh national conference of employers, cited that while the country's unemployment rate stood at 13.4 percent or roughly 1.5 million Filipinos and the underemployment rate at 22.2 percent or about 4.4 million Filipinos, there are a yearly entrants of 1,200,000 to the labor force.

She said that the government will have to remove the bias against incentives to underdeveloped and other labor-intensive areas.

One of the economic agenda of the new government is the restoration of an environment conducive to the flourishing of private initiative by dismantling monopolies created by the previous regime, Monsod said.

FOOD AUTHORITY EARMARKS FUNDS FOR RICE, CORN

HK190233 Quezon City BUSINESS DAY in English 18 Apr 86 p 3

[Text] The proceeds of the \$50-million commodity loan under Pl 480 offered by the United States Agency for International Development (USAID) will be used by the National Food Authority (NFA) to finance part of its local rice and corn procurement program.

NFA administrator Emil Ong said about \$30 million of the Pl 480 facility will be used to import the wheat requirements of the local flour milling industry.

This will roughly amount to P600 million after the NFA sells the imported wheat to the private sector. According to Ong, this amount will help the NFA finance its operations and, at the same time, partly fund its rice and corn procurement activities.

However, the P600 million will only be realized after six months to one year following the selling of the wheat imports to local flour millers, he said.

Ong explained that since the Pl 480 facility provides for a long maturity period, it is but fair that it be made available to the flour millers on credit, payable within six months to one year.

The Nea [as printed] needs close to P2 million annually to finance its rice procurement operations alone. It needs more funds for its corn procurement program.

Its procurement operations are mainly financed by bank loans from the Land Bank of the Philippines, Philippine National Bank and from budget allocations. Ong said that since the Pl 480 facility will only be repaid after several years, the loan proceeds could be used to finance the agency's local grains procurement program.

According to Ong, the remaining \$20 million from the Pl 480 facility is being earmarked by USAID for rice and corn importation, "but definitely the MAF (Ministry of Agriculture and Food) will not approve it."

He said, however, that this will be utilized for rice and corn importations if shortages occur.

The \$50-million facility, negotiations for which will still have to be finalized before July, is limited to finance importation of grains, specifically rice, corn and wheat.

However, Agriculture and Food Minister Ramon Mitra earlier ruled out any importations of rice and corn, saying that the country has now become self-sufficient in these commodities.

He also said the government wants to protect the farmers. "If we import rice and corn, we will depress local prices since we will create a glut," he said.

Although the importation of wheat has been liberalized beginning the middle of last year, the NFA, which used to monopolize wheat importation, was given authority to import for the private sector if the latter cannot do so.

According to Ong, the Philippine Association of Flour Millers, Inc. (Pafmil) requested the NFA to import their wheat requirements using the Pl 480 facility which is extended on a government-to-government basis.

The request was made, Ong said, because of the foreign exchange the private sector will save if it avails of the facility.

Ong explained that the Pl 480 facility is really like a dole-out, considering its very liberal terms. He said that despite the "strings attached" to the facility, the favorable terms offset the facility's limitations.

Aside from limiting importations to specific agricultural products, which according to Ong would allow the U.S. to "dump its surplus" in the Philippines, Pl 480 terms also require that 50 percent of the commodities to be imported will have to be carried by American flag vessels.

Sources said the U.S. intends to increase the percentage of American flag vessels' participation to 70 percent.

However, even with these conditions, the Pl 480 facility is still favorable to the country mainly because of its liberal terms, Ong said.

Pl 480 carries an interest rate of 4 percent and has a long maturity period of from 30 to 40 years including a grace period of 10 years.

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CSO: 4200/937

AQUINO GOVERNMENT CONSIDERS RETAINING ENERGY MINISTRY

HK180627 Quezon City BUSINESS DAY in English 17 Apr 86 p 10

[By Abrino Aydinan]

[Text] The Ministry of Energy (MOE) may yet get a new lease on life from the new government, and it is not necessarily because President Corazon Aquino's advisers now appreciate the importance of the ministry's continued existence.

Various spokesmen of the Aquino government have talked with certainty of the plan to do away with a separate energy ministry. According to the plan, the functions and officers of the Moe would be distributed among other ministries, an ironic fate for a ministry which was the most effective in implementing government programs and whose indigenous energy development projects were cited as the "saving grace" of the Marcos administration.

Adverse opinion on the ministry centered on the controversial nuclear power project although this had nothing to do with the energy import substitution scheme and it distorted rather than enhanced the energy program. An important achievement of the ministry was the breaking of the control of the oil multinationals on the domestic market.

Being one of the very few state corporations which were making money, the ministry-attached Philippine National Oil Co. (PNOC) was the object of critical scrutiny by the previous government's opposition which was trying to trace where deposed president Marcos and his henchmen were making their financial killings. What nailed the coffin of the Moe, however, might have been the nasty flight of former Energy Minister Geronimo Z. Velasco in the wake of the revolution which tended to confirm the critics' charges of wrongdoing made in the matrix of the ministry.

Rank and file employees of the ministry, however, believe the new government's decision to abolish Moe was ill-considered, if not "frivolous." In a press conference where the employees argued for the maintenance of the ministry, they cited a facetious remark made by close Aquino adviser, Finance Minister Jaime Ongpin, to Pilipinas Shell Petroleum Corp. president Cesar Buenaventura in a television program. If Buenaventura agreed to become energy minister, Ongpin said, "we would not abolish" the Moe.

But there are other, more compelling, reasons why the government might set aside the plan to junk the Energy Ministry. One of these is the Muslims' interest for one of them to head the ministry. The government, eager as it is to win over the rebellious community, may only be too willing to indulge.

In a bull session with a group of Muslims headed by Moro National Liberation Front (MNLF) faction leader Macapanton Abbas, Vice-President Salvador H. Laurel listened to the group argue they could promote the country's closer relations with Malaysia and Indonesia if one of them is on top of the Energy Ministry. With a Muslim as energy minister, Abbas said, the country could get oil supplies from producers Indonesia and Malaysia at preferential terms as well as win contracts to locally refine some of these Muslim countries' crude oil.

A Malaysian Embassy official told BUSINESS DAY that Philippine refining of oil from that country is "quite feasible." He said Malaysia is now having some of its domestic oil requirement refined in Thailand and process locally only 20 percent of its 0.5-million barrels per day petroleum production. Exporting 80 percent of its high price low-sulfur crude, Malaysia imports in return cheaper crude to meet its own requirements.

The Muslims lobbied for the appointment of former Senator Mamintal Tamano, who was in the group, to the top Energy Ministry post. Tamano had earlier been given a choice between becoming minister of agrarian reforms or joining the Supreme Court as associate justice, but Laurel promised to consider the Muslims' request on the Energy Ministry. "We should tell Louie (Government Reorganization Minister Luis R. Villafuerte) to reconsider the plan on the Ministry of Energy," Laurel said.

If the Muslim pressure is not reason enough to save the Energy Ministry, the government may have another reason for doing so. With so many aspirants to Cabinet and other government positions, the Aquino administration has about run out of offices to reward loyal supporters with, if not to placate ever increasing followers who feel left out in the distribution of the spoils after the victorious revolution.

With all the main positions already filled up, one prominent opposition leader--Mindanao Alliance's Homobono Adaza--remains out of the Cabinet. With the abolition of the Batasang Pambansa, which dashed Adaza's hope of getting a last major government position--that of parliament speaker--the restoration of the Moe has become vital, particularly in view of the erstwhile rebellious stance taken by the ex-solon from Mindanao. According to reports, Adaza, indeed, is getting the energy minister post, a worthy replacement to the other positions which were supposedly promised him, including the defense portfolio. Another report has it that Tamano is getting a berth at the Ministry of Foreign Affairs, as Laurel's third deputy.

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CSO: 4200/937

## OIL COMPANY TO STUDY PRIVATIZATION, DECENTRALIZATION

HK190225 Quezon City BUSINESS DAY in English 18 Apr 86 p 9

[Text] Philippine National Oil Co. [PNOC] will soon conduct a study on decentralization of its corporate functions, Vicente Paterno, PNOC officer-in-charge, told BUSINESS DAY.

The study will be part of preparations for possible privatization or conversion of PNOC into a joint venture with Filipino investors. The aim is to [word indistinct] delay in implementation of any future decision of government diversement from PNOC, Paterno said.

He said he has recalled Fedtyico Puno, who is detailed with National Power Corp [NPC] as senior vice-president for finance and administration, to serve as PNOC's vice-president for finance. Puno replaces Corazon Estralla, who will work on the study.

PNOC personnel had been detailed to NPC during Geronimo Z. Velasco's term as energy minister and PNOC chairman on grounds that they were to provide expertise.

Paterno said management contract between PNOC and NPC had no basis at all.

The contract expired last year. Paterno said it had been challenged by the Commission on Audit.

Paterno cited the case of Jose Jovellanos, who was consultant and special assistant to the NPC chairman. He said he had asked Jovellanos to report on the period that he was assigned to the power firm. Jovellanos is a former PNOC official whose stay was extended during Velasco's term.

Paterno also said Antonio Abaya, special assistant to the NPC president on security, and chief security officer of the Bataan nuclear power plant, had resigned in November for personal reasons. He said the resignation took effect Tuesday.

Paterno also said that he had recalled Orlando Galang, Bureau of Energy Utilization director, to PNOC to temporarily take over the position left by Epifanio F. Verano, PNOC's vice-president and general manager for the shipping and transport division.



He said Verano, who was in charge of the PNOC's logistics before, had been asked to assist the Commission on Good Government task force currently investigating PNOC's transactions, especially those involving payment of excessive brokerage fees.

Informed sources said that Galang would be on a one-month leave from his bureau post.

Paterno has also assigned Ruben M. Santos, PNOC vice-president for planning, to handle the logistics department as well.

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CSO: 4200/937

BANKS ASKED TO APPROVE EXTENSION OF NEW MONEY FACILITY

HK190231 Quezon City BUSINESS DAY in English 18 Apr 86 p 3

[By Rigoberto D. Tiglao]

[Text] The international advisory committee for the Philippines yesterday asked the country's over 400 bank-creditors to agree to the country's request that the new money facility, originally scheduled to expire in June, be extended up to the end of the year.

The extension is intended to give the country time to reach agreements with the International Monetary Fund (IMF) for a new standby credit facility to replace the current one which ends in June this year.

International bankers in Manila said the advisory committee's telex endorsing the Philippine request for an extension of the facility will be sent starting today.

Only the last \$350-million portion of the new money facility has remained undrawn, and under the original terms of the facility this portion will be canceled if the Philippines fails to draw it by the end of June.

The terms of the credit facility also stipulate that the country can draw on this last tranche only after the IMF releases the last two tranches of its own credit facility to the country. Technically, the Philippines cannot draw on these tranches now because it did not meet certain end-March performance criteria. Central Bank (CB) governor Jose B. Fernandez Jr. had disclosed that, largely as a result of the February presidential elections, the country failed to comply with certain performance criteria, principally those on the end-March reserve money level (which determines total money supply in the country) and CB lendings to government financial institutions.

The IMF however could issue a "waiver" that would allow the country to draw on the remaining loan portions after the Fund completes a review of the end-March data and sets up new performance criteria. It was earlier reported that meetings by CB Governor Fernandez and Finance Minister Jaime V. Ongpin with IMF officials in Washington D.C. resulted in a tentative agreement that a new program will be set up instead of the Fund putting up new criteria under the old standby arrangement.

Although details of the advisory committee's deliberations last Tuesday could not be determined, the request for an extension of the new money facility implies that the IMF will be withholding the release of the last two tranches of its credit facility amounting to 212 million special drawing rights (about \$236 million). This is contrary to earlier expectations of the Philippine Government that these two tranches will be released by the end of June, with the IMF issuing a "waiver" for the country's non-compliance with the end-March performance criteria. BUSINESS DAY sources said these last two tranches will instead just be incorporated into the new standby arrangement.

The reason why both the IMF and the advisory committee decided not to immediately release the remaining tranches of the loan facility is their assessment that the foreign exchange inflow from the loan proceeds will not be critical in the next several months. This is because the country's international reserves are already at a comfortable level of \$1.5 billion, with the peso-dollar rate continuing to be stable. So pressure on the reserve position is expected in the next several months as a result of the tumbling of oil prices, the still slow import demand by local industry, and the near halt in capital flight as a result of the apparent political stability. The country also has already settled about \$2.1 billion in arrears to banks last year, with the CB's projections indicating that no major bulge in foreign interest payments is expected in the next several months.

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CSO: 4200/937

## ECONOMIC INDICATOR ON INCREASE IN RETAIL PRICES

HK221529 Quezon City BUSINESS DAY in English 21 Apr 86 p 11

["Economic Indicator" column: "Retail Prices Up"]

[Text] The retail price index (RPI) for all items in Metro Manila as of January this year went up 3.48 percent from the year ago level, according to indices released recently by the National Census and Statistics Office (NCSO). The RPI during the month, using 1978 as the base year, came to 377.8 index points, 12.7 index points more than last year's 365.1 index points.

What pushed retail prices up during the month in review was the increase in wholesale prices of commodities, which in turn was caused by the implementation of the new sales tax decree. The decree doubled the sales tax rate on the original sale of manufacturers and imposed a 1.5 percent turnover tax on all subsequent sales. This decree, which took effect last January, affected not only manufacturers but wholesalers, retailers and consumers as well.

Among the products in the RPI basket, beverages and tobacco was the most affected sector, posting the highest percentage increase of 9.27 percent. From 333.2 index points in January 1985, the price index for this group climbed 31.9 index points to 365.1 index points in the same month this year.

Meanwhile, following the rollback in the prices of oil and oil products early this year, mineral fuels, lubricants and related materials registered a fall in its RPI, the only group to do so. The price index for this sector slid 7.87 percent to 313.2 index points from 348.9 index points in January last year.

Retail Price Index in Metro Manila  
(1978 equal 100)

Year/ month	All items	Food	Beverages and tobacco	Crude materials except fuel	Mineral fuels, lubricants and related materials
1984	310.4	280.0	292.8	326.5	468.5
January	264.1	239.8	257.3	279.9	390.2
February	270.3r/	245.2	262.3	295.7	390.8r/
March	269.8	240.0	265.6	293.4	391.0
April	272.3	241.6	271.8	298.6	391.3
May	279.8r/	249.8	276.8	310.6	401.4
June	304.2	272.3	286.3	325.4	482.0
July	326.6	292.8	302.7	345.9	508.9
August	336.2	304.2	310.3	350.3	510.1
September	342.7	312.0	313.2	353.1	510.2
October	343.2	310.3	316.8	354.8	525.6
November	356.0	324.2	324.4	359.9	560.0
December	359.1	327.7	326.5	360.5	560.0
1985	366.4	338.6	346.3	369.0	519.0
January	365.1	336.6	333.2	359.2	548.9
February	363.8	333.5	335.6	361.9	548.2
March	361.9	333.1	338.7	363.9	519.9
April	363.6	335.6	341.1	369.7	511.6
May	364.2	336.5	341.2	365.4	510.7
June	363.1	334.4	345.6	367.0	511.5
July	368.4	342.0	350.0	365.4	512.6
August	367.6r/	340.1	353.3	366.7	512.6
September	367.0	339.1	353.5	375.3	512.6
October	368.5	340.7	353.1	376.3	512.7
November	370.8	344.1	354.9	377.8	513.2
December	373.2	347.4	355.7	379.8	513.2
1986					
January	377.8	354.7	365.1	383.7	505.7

Year/ month	Chemicals including animal and vegetable oils and fats	Manufactured goods classified chiefly by materials	Machinery and transport equipment	Miscellaneous manufactured articles
1984	351.1	364.9	259.5	344.8
January	291.2	309.5	218.9	281.4
February	299.8	318.8	224.3	295.7
March	311.3	326.4	232.4	305.1
April	317.1	330.0	239.0	314.2
May	323.4r/	335.7	240.5	320.6
June	342.4	357.4	250.1	340.3
July	370.2	385.7	273.7	369.5
August	382.5	393.4	282.2	373.0
September	387.8	400.2	287.1	377.5
October	390.0	401.2	286.0	380.9
November	397.4	408.4	287.7	388.1
December	400.2	411.7	291.8	391.1
1985	411.2	416.7	295.2	404.6
January	404.1	415.4	293.2	395.1
February	405.2	416.9	293.1	398.2
March	407.8	413.8	294.4	401.5
April	408.8	416.4	295.3	403.0
May	412.0	416.1	297.3	402.6
June	412.6	415.3	297.1	402.8
July	412.6	417.1	295.2	404.3
August	413.3	417.7r/	294.2	404.4
September	412.6	417.0	294.6	405.4
October	414.4	418.3	295.1	409.8
November	415.1	417.9	295.5	412.0
December	416.5	418.4	297.1	416.3
1986				
January	419.1	416.2	301.9	416.7

r/ = revised

Sources: National Census and Statistics Office (NCSO)

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CSO: 4200/397



ARMED FORCES RESERVISTS ORGANIZING AGAINST POLICIES

HK190243 Quezon City BUSINESS DAY in English 18 Apr 86 p 16

[Text] Camp Olivas, Pampanga--Reserved officers in the Armed Forces of the Philippines (AFP) are organizing themselves as a sign of protest against existing military policies.

Reliable sources said that at least three organizations are being organized by reserved officers primarily to protest the assignment of mostly graduates of the Philippines Military Academy (PMA) in sensitive and "juicy" positions.

This was confirmed by Col Lorenzo Mateo, Central Luzon PC-INP [Philippine Constabulary-Integrated National Police] regional commander, who said the new move of the reservists to organize was designed also to strengthen their position against being discriminated against in favor of PMA graduates and regular or integree officers in choice military assignments and schoolings abroad.

The three organizations in the process of being formed by reserved officers are the Integree Reserved Officers Group (IROG), Reserved Officers Legion of the Philippines (ROLP) and the Union of Reserved Officers of the Philippines (UROP).

It had been reported earlier that military reservists or non-PMA graduates are grumbling about members of the Reform the AFP Movement (RAM) getting "juicy" positions in Central Luzon.

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CSO: 4200/937

PAPER PROFILES AQUINO MILITARY ADVISER

HK210701 Manila THE SUNDAY TIMES (THE SUNDAY TIMES MAGAZINE supplement) in English 13 Apr 86 pp 28, 29, 30

[By Jo-Ann Q. Maglipon]

[Text] The man in whose hands the President of the Philippines has entrusted her life is a 5'8" tall, taciturn 40-year-old who hates the press. The kindest he can say about newspapermen and women is: "I don't care if they write 100 times against me. In the last analysis it's between Cory and me."

Presidential aide Col. Adelberto "Bert" Yap cannot altogether be blamed for his shot of ill feeling. Ever since February 27 when Corazon Aquino was supposed to have said to him "I hope you don't mind, I'm going to make you my presidential aide. Baka naman masyadong maliit yon?" ["It might be too unimportant for you?"] he feels he has been browbeaten.

The first grind came when his wife Lorna Verano was quoted by the INQUIRER as saying husband Bert had led the fighter planes that attacked Marcos' air power. He was laughed out of that one. He acknowledges that he was nowhere near those attack planes during the February revolt. "I was in Wack Wack as a volunteer strike force for Peping (Cojuangco) and Cory." His wife now denies she ever said anything of the kind to the reporter who had shot her the question--Who were the air force men on that job?--while she was rushing off to Mass. But, she complains, the newspaper never printed her denials. To all of which Yap says flatly, "Bakit ako magpapa-hero e wala akong pakialam doon?" ["Why would I act like the hero when I had nothing to do with that?"]

Then came his promotion by the President to full colonel. Ripples of dissent from pockets in the military organization reached print and so did followup news of revocation of his promotion. "That is not true," he explains. "The President did not ask forgiveness even when she met with the military. The President signed my promotion. The ministry has my papers now but is sitting on them."

After that, he says exasperately, there was "wrong" news of a shoot-out involving his men and "wrong" sightings of Mrs. Aquino buying her own mattress. "Since the President is also a victim of wrong press reports," Yap notes, "she doesn't assume that what is printed about me is true. She asks me first and I tell her the truth."

Yap in fact has credentials other than a bad press going for him. His letters of commendation count to 20, his awards to 12. This accumulation does not include his medals, anahaw [palm] leaves, silver wings and crosses which, put together, total 21 in an 18-year career. Of these, the Bronze Cross medal for bravery occupies a special place in his apartment. The inscription reads in part: "Dazed and burned and still with full complement of personal equipment, he had already walked six meters away from the wreckage when he saw that his instructor was still trapped inside the burning plane.... He bravely and daringly exposed himself to peril and pain, and through his sheer determination saved the life of his [word indistinct]."

But a public hardly fed news of these decorations will remember him more as the air force fellow who got thrown in the "freezer" in the Marcos years. As assistant to then-Air Force Commander Maj. Gen. Vicente Piccio, his troubles ran the breadth of lugging the groceries of his commander's wife and filling up her civilian tank with government gasoline, to balking at his commander's order for an air force vehicle to fly ice cream from Manila to Sarrat for the wedding of Irene Marcos.

Add to this mishap, he happens to be married to a high-speed talker who loves crowds and calls herself a "freedom fighter." To say the least, the attractive Lorna, 34, was not the military man's stereotype of a wife. It was she who brought him nearer opposition territory. She was, after all, firing up red and yellow rallies. In Mendiola, meters away from Marcos soldiers, it was her style to point at them and shout: "Kayong mga sundalo, magkano ang suwel-do ninyo? Habang nakabilad kayo diyan sa araw, nasaan ang mga amo ninyo! Di ba nasa mga mansion at kotse nilang puro aircon! Bakit kayo nagpapakaloko?" ["All you soldiers, what are your wages? While you are sweating in the sun, where are your masters? Aren't they all in their mansions and airconditioned cars? Why are you letting them make asses out of you?"] Her airforce husband—who calls her "my jewel"—lurked around there somewhere providing her security.

The couple became such a bad egg for the Marcos establishment that the Villamor base commander evicted them, or tried to, in 1984. Furthermore, Bert was stripped of all assignments. It was a dangerous time, he admits now. But to threats of arrest by Ver men, he says today: "They will not arrest me. I will kill them. It will be a fight to the death."

These days the colonel is completely out of the freezer and completely within the center of power. He is both aide and military adviser to the new President. He is photographed standing behind Corazon Aquino through the daylong stream of callers, providing her both solicited and unsolicited advice. It is his duty, he says, to warn her against Marcos habits that die hard. For instance, he tells her, both civilian and military officers are likely to corner her at parties and anniversaries for her signature on their budget and promotions. "That was the way Marcos operated."

He puts through calls for her, now to ask Nene Pimentel whom he appointed for governor somewhere, later to ask after the missing air force guys accused in the Aquino murder. The job, with a take-home pay of less than P6,000, also includes tasting the presidential food and drinking presidential water so that

he, instead of the president of the land, drops dead first—in case. On the far end, it also involves advising the President to retain Gen. Fidel Ramos because: "The general is the only credible alternative." It means going over all sensitive military mail and being privy to political mutations. As he puts it, "I stay in the room of the President. *Walanag maitago sa akin* [Nothing escapes me]."

Every morning, at close to eight o'clock he is seen arriving at the President's Times House. Sources say the President and her aide have breakfast and one of the first things on their agenda is to complain about what the newspapers have to say about them this time. Then they reappear in a five to six-car entourage en route to the palace. The President rides a bulletproof limousine whose windows, he notes again for the press, are "fixed" and therefore will not roll down even if the President desired to buy a newspaper off the street during a red light. Once in the palace, he sticks close to her, his eyes casing everything, ready to stop anyone attempting to get near her.

It is a job that is at best difficult. After all, Cory's presidency is built on a people's affection. And she has been called a security nightmare, once wading through the center of a thanksgiving crowd so thick a quiet murder could have been committed in its center.

However, surprisingly, Yap makes the correction: "It is not true that the President is careless. She is security conscious." He would not elaborate.

At present the President's core of security men are the same recruits from Hacienda Luisita who provided her security during the campaign. "They told me. Sir, ngayong nasa Malacanang si Cory, wag ninyo naman kaming kaka-limutan. [Now that Cory is in Malacanang, do not forget us.]" And of course, why should I leave them out? These are the men who would die for Cory."

Right up alongside, there is the Presidential Security Group—which Yap makes clear is not under his command—and is made up of a composite team from the army, navy, air force and constabulary divided in near-even numbers. Of its total force, Yap will reveal only that, "It is far smaller than the Presidential Security Command [PSC] of General Ver which was 16,000-18,000 strong. "After all, that PSC had to be a command only to justify Ver's generalship. And also, of course, because Marcos was paranoid." But as aide, he makes clear his view of Cory's presidential cordon: "They will not be like Ver's men who went into all fields. They were in customs, consulates, agribusiness, banks. Can you imagine that? They're military men; what was their business in those places?"

Yap, who has been used to being called first-class—as cadet, pilot, marksman and air force officer, is sensitive to hints that his care for the President's security is less than first-class. Only days back, Minister Juan Ponce Enrile's men descended on the palace, ready to secure the place for the minister's audience with the President. Yap was indignant. "We can provide security for both the minister and the President!" he said, blocking Enrile's men.



Not that the incident between Yap and the Ministry of Defense (MND) boys is isolated.

"There is palace talk, which Yap does not deny, that the MND boys—who make up the nucleus of the Reformists—were interested in cornering the presidential security slot. "Maybe because when you are right where the President is, you become the eyes and ears. You know the ins and outs."

There is also talk, this time refuted by Yap, that the MND provided security for Cory during the campaign. "That is not true. They were never there for Cory."

To say that he and [words indistinct] core do not like each other is to be inordinately polite. The rift can probably be traced, says his wife, to the age-old battle for prestige between the Philippine Military Academy to which the Reform core belongs and to the Philippine Air Force Flying School from which Yap graduated at the top in Class '68.

As far back as 1980 when her husband was a major, Lorna adds, he was recommended by the Philippine Air Force promotions board to jump in the lineal list. "But this was stopped by the same fellows in the MND who now raise hell over Bert's promotion to colonel.

Tensions may have grown some more when Yap refused to be recruited into the Reform Movement. "How can I join a movement whose recruiting officer is Hernani Figueroa?" To which his wife adds, "That one is a human rights violator!"

He elaborates: "I don't condemn the RAM [Reform of the Armed Forces Movement] as a whole. Their objectives are also good. But there are a lot of people there who manipulate things to their advantage. I represent a bone stuck in their throat. I'm a stumbling block to their desire for power. The trouble with them is they began thinking the February revolution was their victory alone. They have lost humility. Now they cannot blend with the rest. But a soldier has to blend."

Despite the four days of February, Yap does not believe the Reformists represent the Armed Forces of the Philippines (AFP). "The Reformists are only a core group. Many in the AFP sided with them in February because how can they side with Marcos? It was the case of a lesser evil."

For their part, Yap and associates have organized themselves as another center of influence within the AFP. They go by no name and are not limited to the Air Force. "Our orientation," he says, "is total support for Cory."

Among his strong views on the military establishment is the push for a "massive re-education" of the AFP. He believes a policy of going back to the barracks will put the soldier "back into the discipline and control" that were lost during the Marcos years. "The military should remain apolitical," he concludes.

The stress on external defense is another area on which he disagrees. He believes that concentrating on defending the country from China, Vietnam and Russia is futile. "If they attack, we might as well throw in the towel, raise the white flag. We're too small to fight those powers. That is why the U.S. bases are very important."

But internal defense, by his reckoning, must be redefined. The focus must be on peace and order, "eradicate criminality." He does not believe that the New People's Army is the country's big problem. "The NPAs go to the hills for justice. What is a farmer going to do when he is put in jail for stealing coconuts? He doesn't know anybody else he can turn to. Or if his relative is abused by military elements, the only thing he knows is to go to the mountains." His proposal remains: More stress on socioeconomic solutions coupled with a military solution.

Furthermore, in what clashes with the views of the Reform core, Yap believes that the "scalawags," all those who committed human rights violations, must be weeded out and punished. "Those who object to the (Aquino government's) Human Rights Committee are probably those involved." It is necessary, he says, to professionalize the AFP. "We cannot store any more skeletons in our closet."

"This is the only chance left for the AFP to be great again," he says thoughtfully. "The AFP must play its cards right this time."

And so this colonel, Capiz-born, Cebu-grown, who says he would have been happy being a businessman in the "coconut or kamote [YAM]" trade if "destiny" had not made him a military officer, is here, in the center of the action. He bears watching. One, because he represents another influence within an establishment once perceived as monolithic and which seems eager to give itself a new name. And two, because in his hands rests the security of a popular president who is also, by some constitutional luck, the soldiers' commander-in-chief.

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CSO: 4200/937



MARINES TO REINFORCE TASK FORCE IN BATAAN

HK220632 Manila MANILA BULLETIN in English 20 Apr 86 p 16

[By Efren P. Molina]

[Text] Balanga, Bataan—Military authorities will send 93 Marines to Bataan this week to beef up the military contingent in the campaign against insurgency and lawless elements, it was learned yesterday.

Major Librado S. Ladio, commanding officer of the 8th Philippine Marine Battalion, said the 93 combat-trained soldiers will be assigned to help man Marine detachment located in strategic positions in Bataan.

The military contingent is under Task Force Samat with Col Vicente S. Garcia, former 3d PC-INP [Philippine Constabulary-Integrated National Police] deputy commander, as commander and Lt Col Cecilio R. Penilla, Bataan PC-INP commander, as deputy commander.

The contingent is composed of soldiers and officers drawn from the PC, Air Force, Army and Marine units. Colonel Lorenzo Mr. Mateo, now the 3d PC-INP commander, was the first head of Task Force Samat.

General Fidel V. Ramos, the then PC chief and AFP [Armed Forces of the Philippines] vice chief of staff, sent the military contingent at the height of the bombings of the power transmission towers owned by the National Power Corp. [NPC] in July last year.

Rehabilitation of the toppled transmission towers is being undertaken by NPC engineers headed by Engr. Mike Fontanilla. At least 35 towers have been dynamited by elements opposed to the operation of the nuclear power plant.

The suspects in the destruction also sawed off beams or removed the bolts of some towers in the steep mountains of Hermosa, Abucay and Morong. The towers were part of the nuclear plant's distribution system.

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DAVAO NPA REPORTEDLY GROWING IN NUMBER

HK221117 Davao City PEOPLE'S DAILY FORUM in English 9 Apr 86 p 5

[By Ministry of Information]

[Text] Mati, Davao Oriental--Officer-in-charge (OIC) designate, Josefina C. Sibala called a conference the other day at the Sangguniang Palalawigan (SP) Session Hall, with heads of national and provincial offices, military, civic leaders and businessmen to trace out problems concerning insurgency in the province and the possibility of minimizing if not totally eradicating same.

Antonio Olmedo, vice-governor designate, formally opened the conference by giving his brief remarks urging everyone to forget political differences and unite for common good through reconciliation to attain peace and prosperity.

Sibala asked Col Carlos Pena, provincial commander, to brief the group on the peace and order condition in the province. In his lengthy talk, Colonel Pena said that the NPA's have grown from about 700 to 1,000 strong this past few weeks, according to report reaching him. When you ask people in the area as to the alleged increasing activities of the NPA's, he said no one is able to confirm it, perhaps for fear of reprisal.

Pena added that the present situation is not so alarming. But Governor Sibala batted in by saying that small or big problems must be attended to with dispatch for it is our obligation anyway. During the past administration, a number of CHDF's [Civilian Home Defense Forces] (category II with no salary) were trained as volunteers to help combat the presence of NPA's in several towns in the indulgence of former Governor Rabat and seeing the urgency of its needs to stabilize the tense situation, had authorized them to receive allowance from the province. They were popularly known before as "blue boys," he added. After the election they were disbanded and required to return the firearms issued to them, Colonel Pena declared.

Until lately, some CHDF's have gradually returned their firearms, because of the uncertainty of their status, after a pronouncement made from higher authority to phase them out, said Pena.

Maybe, he said, the present administration could probably help by rehiring them if financial condition warrants and deploy them to some beleaguered areas in the province. This time, he said they will no longer be called blue boys, but rather, Yellow boys.

The PC [Philippine Constabulary] head also urged the citizens, especially businessmen, to cooperate with the military by reporting them the nefarious activities being undertaken by this group, like muleting and other protection racket saying this is good if one can always come across with their demands, Pena said. Eventually you will fall victim if you can no longer maintain it, he said.

For her part, Governor Sibala said that these so-called scalawags among some CHDF's, policemen and in the military should be disarmed or be removed for they are the ones causing much trouble.

Colonel Pena reported that some 45 NPA's surrendered to the authorities in Lupon are now being trained on some skills to afford them to be a part in the mainstream of our government. He asked the governor if the provincial government is in a position to help the returnees uplift their living condition.

Sibala said, financially the province is at present in the verge of bankruptcy [as published]. So, she created a committee to look into the matter. The committee is headed by a certain Mr Pang, a businessman in Mati, upon the suggestion of Vice Governor Olmedo.

Sibala granted blanket authority to Mr Pang in choosing his members and in soliciting donations intended for the rehabilitation of returnees in the province. She called on all our misguided brothers and sisters who are still holding out in the hills to return now to the folds of the law and help the present administration attain reconciliation and economic recovery. If the regime failed to solve these problems, "we, under the leadership of President Aquino, are bent on doing it based on the program of sincerity, honesty, justice and true democracy," Sibala pointed out.

Sibala asked heads of offices to suggest good ideas on how to successfully go about with the Operation Homecoming project for rebels and assist in whatever they may be able to share individually.

On the other hand, Colonel Pena said that the higher authority is now making arrangement for the possibility of paying all surrendered firearms by rebels, "just like what we did in regions 9 and 12 during the height of the MNLF armed struggle." [quotation marks as published]

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CSO: 4200/937

MINDANAO COLUMNIST ANALYZES CURRENT SITUATION

HK210707 Davao City THE DAILY SAN PEDRO EXPRESS in English 30-31 Mar 86 p 3

["Echo Print" column by Jess Dy: "The Waiting"]

[Text] After a month or so, the new administration has not in the best of position riveted itself to a strong foundation. This is due to the many remaining irritants who are still fighting to cling to the old vine of survival and perhaps this has been brought about due to the stance taken by top man, rather woman who has been criticized as one being too kind for her own good.

In the by-line of Armando Doronila's "Analysis" of THE MANILA TIMES March 19th issue, he wrote--"The government of President Aquino has been too lenient with her political opponents. If her advisers could learn a lesson from recent transitions from dictatorship to democracy, it is that several nations formerly ruled by dictators have made a break from their past by resolutely dismantling the political infrastructure of totalitarianism."

So we expect on April 14th, in open defiance against the now legitimate authority, the Batasan Pambansa to convene in Malolos Bulacan, not only the majority KBL members but including the minority who are supposed to support President Aquino to stabilize her administration. [as printed]

Who said--"My loyalty to my party, ends where my country's begin?"

We have also seen the open boldness of the squatters where private property is mocked by mob rule, not only violating the duly constituted authority in the invasion of private property but even that of the government owned, as if "people's power" sees no end than to claim for one's benefit without consideration to that of the others' is a justifiable act. This is how they interpret democracy, freedom and justice. Democracy to do anything without considering the rights of others; freedom to invade private property simply because they are landless and justice to own this invaded lot because they are now occupying it. Yet behind this mass violation of the protected rights of a tax paying citizen lies those who are out to make money for themselves. Looking back however, this is the leftover of Marcos' administration who promised much for the poor, and care not to protect the private property of those general decent

citizens while he looted the entire country of what is due the citizens in sharing the nation's wealth, for all those big tracks of land belonging to his "cronies" could be protected by the use of the military forces. If the administration indeed is sincere in its effort for "demarcosification," then the squatters is one group that must have to go. Certainly kindness and compassion must have their own limitation.

Meanwhile, the business sector, after having seen the changing of the guard in the administration, now are still waiting to act decisively as how the guardians of the government are making progress in the stabilization of administration. They feel that with the so-called "people's power" being initiated by all sort of people, the business atmosphere though loaded with expectations and hope, the realities of the time can still stand improvement. Killing has not totally stopped; labor troubles continued to grow while the insurgency has become more openly aggressive. All these of course, cannot be corrected within the few weeks nor even month, however, people seem to be in a great hurry to change our present condition and this is something that must be remedied soon.

Nation building indeed is a great task, it cannot be done alone nor can it be achieved overnight. 100 days? We have about two-thirds more to go. Let us wait.

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OFFICIAL REPORTS SHIPMENT OF ARMS TO MINDANAO

HK190253 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 18 Apr 86 pp 1, 7

[Text] Manuel F. Martinez, deputy minister for political affairs, said yesterday that arms are being shipped to Mindanao in anticipation of the collapse of President Aquino's peace initiatives and the revival of the armed secession movement.

He said Mindanao political leaders have told him that in some provinces in the south, the people are apprehensive because some leaders are "accumulating rather than surrendering arms."

He told the Rotary Club of Rizal West of a tie-up between Mindanao secessionists and communists, along with Marcos loyalists, to destabilize the government, persuade President Aquino to step down, and profit from the resulting instability, whether the next administration be a military clique or a civilian government."

The next Mindanao uprising, which some Mindanao leaders claimed would explode in full force four months from now, would be more formidable because it would openly involve a foreign government and the active participation of Muslim religious leaders who are wary of increasing Catholic influence in many Muslim areas, he said.

He said that although the replacement of KBL local leaders by OICs [officers in charge] has reduced tension in places where KBL men used to commit injustices against the populace, some assignments have created squabbling among political leaders.

"This has fragmented the negotiations and diminished the chances for an early overall settlement."

For example, he said, Muslim Regions 9 and 12 are being merged under one OIC from Region 12 infuriating the people of Region 9. This will make it difficult for them to unite and present a united front in insurgency negotiations, he said.

"We cannot solve the insurgency problem with a fragmented shotgun blast. We must confront it with a solid cannonball explosion that is centralized and organized and designed to enforce, after due consultation and agreement, a lasting amenity based on the well-being of the mass base and not on the self-serving interests of contending factions," he said.

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## BRIEFS

**NEW BANK CHAIRMAN**--Eugenio Lopez, Jr is the new chairman of the board of the Philippine Commercial and Industrial Bank. Lopez replaced former development Bank of the Philippines [DBP] chairman Cesar Zalamea, who resigned last April 9. The other newly elected directors are DBP chairman Jesus Estanislao, Quintin Doromal of the Commission on Good Government, businessman Modesto Ledesma, and newspaper publisher Chino Roces. [Text] [Quezon City DZFM Radio in English 0200 GMT 22 Apr 86] /8309

**SUGAR FEDERATION OFFICIAL RESIGNS**--Former Governor and Congressman Armando Gustillo has resigned as president of the National Federation of Sugar Workers. Gustillo was replaced by former Bacolod City Mayor Romeo Gonzaga. In a press statement, Gustillo said he resigned for the sake of unity among sugar planters [words indistinct] and to further the interests of the sugar industry. The federation has about 30,000 workers among the sugar planters. [Text] [Quezon City DZFM Radio in English 0700 GMT 12 Apr 86] /8309

**FOREIGN GOVERNMENTS OFFER NEW LOANS**--Several foreign governments, including the United States and Japan, have expressed commitment to extend from \$600 to \$700 million in new loans to the Philippines to prop up its ailing economy. Central Bank officials said the commitment was contained in a telexed message sent in Manila by Finance Minister Jaime Ongpin from New York. Ongpin said the new loans from the foreign governments will carry concessional terms. Concessional loans usually carry an interest rate of only 2 to 3 percent over a period of not less than 20 years. Ongpin, together with Central Bank Governor Jose Fernandez, left recently for the United States to attend a joint meeting of the World Bank and the International Monetary Fund. He also met with foreign creditor banks to renegotiate the country's foreign debts. [Text] [Quezon City DZFM Radio in English 1100 GMT 18 Apr 86] /8309

**CAMARINES NORTE NPA EXECUTE DEFECTING MEMBER**--Communist NPA guerrillas have executed a former comrade who broke allegiance from the party in Barangay Kulabaka, Camarines Norte. The slain NPA man was identified as Vicente Lopez Jr, former member of the NPA operating north of the Bicol area. According to reports, Lopez sustained seven stab wounds and died on the spot. Some witnesses said Lopez was picked up by 14 armed men, tied to coconut tree in front of his house and stabbed several times. Lopez had earlier decided to end his (involvement) to lead a peaceful life. [Text] [Quezon City DZFM Radio in English 0300 GMT 22 Apr 86] /8309

UNIDO HEAD IN MAKATI--Vice President Salvador H. Laurel last night announced the appointment of former Sen Eddie Ilarde as chairman of the Unido [United Nationalist Democratic Alliance] in Makati, the country's premier town. Laurel said Ilarde's appointment is in keeping with the Unido's revitalization program deemed imperative in the light of the great responsibility it must assume as the most dominant party which supported the candidacy of President Aquino. Ilarde said he will establish an efficient monitoring and sensitivity network to keep the Unido abreast with the real felt needs of the residents of the country's most urbanized town. "As an administration party, the Unido must fulfill its commitments and merit the mandate of the people," the former senator said. He said that every leader of a political party has an obligation of whether or not he occupies a government position. Ilarde said he will help make the Unido an effective catalyst for meaningful changes and reforms. [Text] [Manila THE NEWS HERALD in English 18 Apr 86 p 2] /8309

CEBU OFFICIALS DEFY REPLACEMENT ORDERS--Most town mayors of Cebu and members of the Provincial Sangguniang Panglalawigan [Provincial Board] have defied the order of Local Government Minister Aquilino Pimentel to turn over their posts to their replacements. Of the 38 towns of Cebu, only two mayors so far have heeded Pimentel's call. They are mayor Eduardo (Chalma) of Minglanilla and [words indistinct]. Meantime Local Government Minister Pimentel has abruptly cancelled his speaking engagement Saturday at the PDP-LABAN [Pilipino Democratic Party-lakas ng bayan] in Baguio and Benguet [words indistinct]. PDP-LABAN spokesman gave no reason for the cancellation [words indistinct] Baguio City, Pimentel was supposed to address the PDP-LABAN national convention in Bauang, La Union. Pimentel's visit was supposed to clear up the confusion on the appointment of officers in charge in Baguio City, Benguet and La Union Province. [Text] [Quezon City DZFM Radio in English 0200 GMT 21 Apr 86] /8309

SWISS AID REQUESTED--Geneva, April 22 KYODO--The Philippine Government of President Corazon Aquino has asked Swiss authorities to help prosecute ousted leader Ferdinand Marcos over his hidden bank accounts in Switzerland, according to the Department of Justice and Police. A Swiss government watchdog agency has said it has confirmed the presence of accounts in several Swiss banks which are linked to associates and relatives of Marcos. The Philippines' chief prosecutor has called for criminal prosecution of Marcos for allegedly taking bribes and other wrongdoings. The Swiss authorities have ordered police in four cantons (provinces)--Berne, Geneva, Zurich and Fribourg--to find out if they can take legal action against Marcos within the framework of Swiss law. Major Swiss banks are concentrated in the four cantons. The new Philippine Government has also asked for Japanese cooperation in probing allegations that Marcos has accepted bribes from Japanese firms. [Text] [Tokyo KYODO in English 1005 GMT 22 Apr 86] /8309

NEGOTIATIONS WITH REBELS SUPPORTED--Former member of parliament and Labor Minister Blas Ople said yesterday [21 April] the Partido Nacionalista ng Pilipinas [Nationalist Party of the Philippines], if asked, will serve any committee formed by President Aquino to negotiate peace with the CPP [Communist Party of the Philippines]-NPA and the MNLF. Ople said his party will support any initiative taken by the president and Vice President Laurel to promote bipartisan approaches to problems of national security and foreign relations. Ople said that despite a wide divergence in specific policies outlook, his party is prepared to uphold the country's political stability through critical cooperation with the government of President Aquino. [Text] [Quezon City DZFM Radio in English 2300 GMT 21 Apr 86] /8309

NDF URGES MILITARY OVERHAUL--A militant group in Panay has urged Corazon Aquino to reorganize the armed forces and call it the New People's Army to remove all traces of the past regime. The National Democratic Front (NDF) at a press conference urged President Aquino's government to ignore U.S. pressure regarding the IMF and the World Bank. The group, through an NDF spokesman, said Corazon Aquino should remove all dictatorial vetiges of the past administration. [Text] [Laoag City Nation Broadcasting Corporation Station DWRI in Ilocano 2300 GMT 15 Apr 86 HK] /6662

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